A SPECIAL REPORT: Paper on Fashion

International Herald Tribune

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Zaire Rebels Add Key City As Offensive Sweeps On

Kisangani Is Taken After a Brief Fight; Mobutu Hospitalized

Compiled by Our Staff From Dispatches

GOMA, Zaire — Triumphant Zairian rebels said Sunday that they had pushed beyond Kisangani, the strategic eastern city they seized Saturday, and had taken Pweto, a town on the Zambian border, as they pressed on with an offensive.

"We are beyond Kisangani in order to secure the whole region," a rebel spokesman, Raphael Ghenda, told journalists in the eastern town of Goma.

In France, meanwhile, aides to the Zairian leader, Mobutu Sese Seko, said he was hospitalized Sunday for "supplementary care." No details were immediately available.

The news came after an aide said the embattled president had put off indef-

The rebel leader's goal? To revive an impoverished nation. Page 8.

initely returning to his homeland, after having said Saturday that he would return Monday.

Marshal Mobutu has spent much of the past seven months in Europe recovering from cancer surgery.

The capture of Kisangani, where President Mobutu Sese Seko's army had hoped to put a stop to six months of rebel advances, went quickly. After a burst of fighting Friday night and Saturday morning, the Zairian Army reportedly looted the city and fled with panicked residents.

The leader of the advancing rebels, Laurent Kabila, told reporters: "As you know, the town of Kisangani fell into our hands at 2:45 P.M. We are now thinking of going up to Kinshasa."

Kinshasa, the capital, is 1,200 kilometers to the southwest. Mr. Kabila said, however, that he was open to a negotiated peace.

Even as Mr. Kabila indicated that he was open to a negotiated peace, he dismissed a United Nations bid to broker a cease-fire between his forces and the Mobutu regime. A special UN envoy, Mohamed Sahnoun, held talks with Mr. Kabila but left Goma empty-handed.

Mr. Ghenda said the rebels were also advancing in Shaba, a southern mining region, and had taken control of Pweto. The fall of the town puts the insurgents within 400 kilometers of the regional capital, Lubumbashi, which has cobalt and copper mines. The rebels are also at the edge of neighboring East Kasai Province.

As the rebels pushed on, the European Union issued an appeal to all sides in the fighting to respect the lives of refugees and local residents.

"The European Union has learned with deep concern of the rapid deterioration of the situation in Zaire," the Dutch presidency declared in a statement Sunday.

It appealed to "all parties in the conflict to respect both the refugees and the Zairian population."

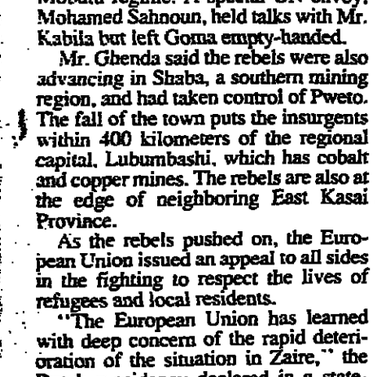
Humanitarian groups said Sunday that the capture of Kisangani had left 100,000 refugees stranded. *(AFP, AP)*

■ **Loyalties Start to Crumble**

Howard W. French of The New York Times reported from Kinshasa:

– More worrisome for the government than the fall of Kisangani was the reported switch of elite government forces in the city to the rebel side, Western diplomats and Zairian officials say.

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Newsstand Prices

Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Riels
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		



Yiannis Behrakis/Reuters

Albanian civilians pushing unsuccessfully to board U.S. Marine helicopters near the port of Durres on Sunday. Troops with the copters had been ordered to rescue only U.S., Turkish and Italian citizens. Page 8.

A Russia Neither Friend Nor Foe

Clinton and Yeltsin Will Seek a New Relationship at Helsinki

By Steven Erlanger
New York Times Service

WASHINGTON — So if the Russians aren't enemies any more, and they don't quite seem to be friends, what are they exactly?

Do they still have a central role in the American national psyche, let alone American foreign policy? Do Americans still fear them too much? Or are Americans taking the Russians too much for granted?

Those questions have sharp significance this week at what seems another pivotal moment in American-Russian relations. President Bill Clinton, hobbled after knee surgery last week, is preparing to meet in Helsinki on Thursday and Friday with the newly reanimated Russian president, Boris Yeltsin, after stage-setting meetings here between American officials and Foreign Minister Yevgeni Primakov.

Moscow's opposition to NATO's enlargement is the contentious issue at hand. American attitudes to the Rus-

NEWS ANALYSIS

sians, and the Russians' view of the United States and their own changed circumstances, are an important part of the negotiating equation.

Summit Put Off a Day

President Bill Clinton left a hospital slightly ahead of schedule Sunday, but he remained in pain after knee surgery, aides said, and had to delay by a day his meeting in Helsinki with President Boris Yeltsin of Russia. Page 3.

The central reality underlying the meeting is Russia's diminished stature. Although Russia still counts — it is, after all, a nuclear power capable of destroying the United States — it is much weakened, and therefore doesn't count as much.

To negotiate successfully with Mr. Yeltsin, as well as to hedge against the future, Mr. Clinton needs to find ways to allow Mr. Yeltsin to convince the Russians that they do still matter — that Washington and the North Atlantic Treaty Organization are willing to give Moscow a prominence and deference that it may no longer deserve.

It's difficult for Moscow, for it used to be that its importance needed no inflating. Russia was the true Amer-

See RUSSIANS, Page 8

EU Refuses to Send Troops to Albania

Resisting France, Italy and Greece, It Approves Small Unit of Advisers

By Tom Buerkle
International Herald Tribune

APELDOORN, the Netherlands — Resisting calls from France, Italy and Greece for military intervention to help restore order in Albania, the European Union agreed Sunday to send a small group of civilian and military advisers there.

The Union did not exclude a wider intervention, but its foreign ministers declined to commit themselves to anything beyond an advisory role until they receive a report from a European diplomatic team that was due to arrive in Tirana on Monday for talks with the government and opposition groups.

Amid signs that some calm was returning in Albania, meanwhile, President Sali Berisha raised hopes of a political solution to the crisis.

Mr. Berisha informed the Dutch government, which as EU president is steering Europe's response, that he would resign if his party loses the parliamentary elections that all parties are seeking to organize for June.

Several European governments have called on Mr. Berisha to resign, and Malcolm Rifkind, the British foreign minister, called the offer "a helpful indication of flexibility."

The compromise decision to send only advisers, made by EU foreign ministers at a weekend meeting in the central Dutch town of Apeldoorn, was dictated by the reluctance of Britain and Germany to be drawn into what they regard as the Albanian quagmire.

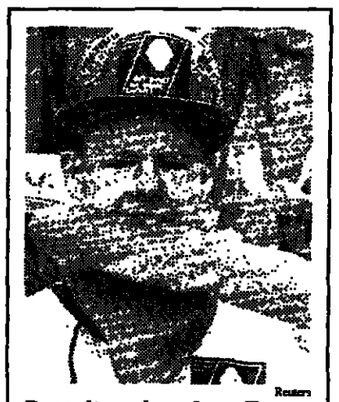
The open display of European divisions on the region's most urgent security issue evoked memories of Europe's failure to respond to the breakup of the former Yugoslavia in the early 1990s.

Carl Bildt, the former Swedish prime minister who is overseeing civilian reconstruction efforts in Bosnia, said Europe's ambitions to become a political and security power "risk looking pathetic" if the Union cannot agree on intervention in Albania.

Foreign Minister Herve de Charette of France said the European Union, as a rich bloc of some 370 million people, needed to take responsibility for stopping the chaos in a dirt-poor nation of 3 million on its doorstep. He argued for a stabilization force of 1,000 to 3,000 people to help the Albanian Army and the police restore order and secure airports, highways, embassies and government buildings.

Italy and Greece, which as immediate

See ALBANIA, Page 8



Reuters

Renault workers from France putting teeth into the march.

Unionists On March In Europe

Compiled by Our Staff From Dispatches

BRUSSELS — Tens of thousands of trade unionists and politicians from across Europe marched through Brussels on Sunday to vent their anger at high unemployment and the erosion of job security.

Michel Nollet, head of Communist FGTB union of Belgium, told the noisy crowd: "Today's demonstration is not the end. It is not the final act. Together, united, we will continue our struggle for a social Europe. For a Europe of solidarity."

Unions expected 60,000 people at a March for Jobs sparked by the announcement two weeks ago that Renault SA, the French carmaker, was closing its Vilvoorde plant in Belgium, with the loss of 3,100 jobs. News of the Renault closure came on top of the bankruptcy in January of Forges de Clabecq SA, the Belgian steelmaker, threatening another 1,800 jobs.

An effigy of the Renault chairman, Louis Schweitzer, was prominent among banners at the march.

At the front of the procession were such political leaders as the French Socialist Party chief, Lionel Jospin, and the Belgian Socialist chief, Philippe Busquin.

"It is extremely important that we should all be together in Brussels to demonstrate the desire to create a social Europe," Mr. Jospin said.

Nicole Notat, head of the Socialist CFDT union of France, added: "We want to show our solidarity with the Renault group's Belgian employees."

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Shlomi Azran/Reuters

King Hussein visiting Sunday and embracing the Israeli father of one of seven students who were shot to death by a Jordanian soldier last week.

Jordan King Visits Israel; Netanyahu Is Unyielding

Hussein Meets Parents of Murdered Girls

Compiled by Our Staff From Dispatches

JERUSALEM — Israel vowed Sunday to break ground on a Jewish settlement despite a conciliatory visit by the king of Jordan and more warnings that the project threatened to spark Palestinian violence and freeze the Middle East peace process.

King Hussein flew to Israel to console the families of seven schoolgirls slaughtered by one of his soldiers at the border last week and to defuse tensions with Prime Minister Benjamin Netanyahu.

It was the king's fourth public visit to Israel since the two countries signed a peace agreement in October 1994, and his first since Mr. Netanyahu took office in June. His only previous visit to Jerusalem under Israeli rule was for the funeral of the assassinated Prime Minister Yitzhak Rabin in November 1995.

King Hussein appeared to touch the hearts of many Israelis, kneeling in mourning with the families of the murdered girls and saying they were all "members of one family."

"I love King Hussein," said Yehezkel Cohen, whose 13-year-old daughter, Nirit, was killed in last Thursday's massacre. "Despite the sorrow, I say this: I hope and believe in King Hussein and a real peace."

The shootings of the girls was "a crime that is a shame for all of us," the king said to the grieving parents of one victim, Natalie Alkalai, who was 13.

At the home of the family of 12-year-old Adi Malka, King Hussein knelt to speak to her relatives, who were sitting on the floor in a traditional Jewish mourning custom. Adi's parents, who are deaf, communicated with the king through a sign-language interpreter.

"I want my daughter back," her sobbing mother, Alia, signed after he king squeezed her hand. "We have peace, but I don't have my daughter anymore."

"I feel that I've lost a child," he replied. King Hussein, like some Palestinian officials, warned last week of

See ISRAEL, Page 4

Bond Markets Gird for Rise In U.S. Rates

By Carl Gewirtz
International Herald Tribune

PARIS — The mood in international bond markets is grim, and the primary reason is anticipation of an increase in official U.S. interest rates at the March 25 meeting of the Federal Reserve Board's rate-setting committee.

Even if the central bank policymakers do not increase the overnight cost of

OECD deems record-high stock prices 'sustainable.' Page 12.

money by a quarter of a percentage point, or 25 basis points, as is widely expected, analysts warn that any bounce in market sentiment would be short-lived. All the incoming data point to an acceleration of growth in the economy, they say, and thus an eventual tightening of monetary policy.

The one hitch that may restrain early Fed action is that U.S. inflation is not increasing, depriving the Fed of a clear-cut reason to move. But that may not be needed, since the Fed chairman, Alan Greenspan, has publicly warned of the possibility of preemptive action — moving before inflation measures increase.

David Hale at Zurich Kemper In-

See ECONOMY, Page 8

AGENDA

Vietnam Rebukes China on Spratlys

Vietnam demanded that China stop drilling for oil close to the disputed Spratly Islands, the official Vietnam News Agency said Sunday, adding that its Coast Guard has sent repeated warnings to Chinese vessels nearby.

"The operation of the Chinese oil rig has seriously violated Vietnam's sovereignty over its exclusive economic zone and continental shelf," Vietnam said in a letter delivered to the Chinese Embassy in Hanoi.

Vietnam said the oil rig, tugboat and accompanying vessels moved March 7 into the South China Sea off Chan Nay Dong Cape, halfway down the Vietnamese coast. China and Vietnam are among six regional claimants to the Spratlys, which are thought to have substantial oil reserves.

Warships from the two countries clashed briefly in the Spratlys in the late 1980s. But in 1991 they set up working groups to thrash out border disputes. Page 4.

Victor Vasarely Dies

Victor Vasarely, considered the master of Op Art, died Saturday in Paris at 90. The Hungarian-born artist experimented with many forms of 20th-century art before launching so-called Optical Art in 1955. The technique, which he defined in his "Yellow Manifest," was was based on optical illusions. Page 2.



United Press

Julius Rosenberg after he and his wife, Ethel, learned in 1953 that they would be executed. A new look at the case: PAGE TWO.

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BUSINESS EDUCATION IN FRANCE

The IHT on-line http://www.iht.com

New Orleans: Fat City (Really, Really Fat)

By Rick Bragg
New York Times Service

NEW ORLEANS — The news that a health study has ranked New Orleans as the most obese city in the United States did not exactly send the city's reporters lunging for their notebooks.

"When we heard that, we were like, well, 'Duh,'" said Siona Carpenter, a feature writer at The Times-Picayune, the city's daily newspaper. "People here name their dogs Boudin."

Boudin, pronounced boo-DAN, for the culinarily deprived, is a Cajun sausage.

Down here, where eating poorly is a mortal sin and good food simmers in $100-a-plate restaurants and in the most humble shotgun houses alike, it would have been news only if New Orleans had not been at or near the top of such a list.

People here even name themselves after food. Ms. Carpenter, doing a recent computer search on sandwich shops, turned up an obituary for Leonard (Po Boy) Charles, who died last year.

Po boys, for people who have never had one, are French bread sandwiches stuffed with fried oysters, lettuce, tomato and tartar sauce, among other things.

Of the nation's 33 largest cities, New Orleans had the highest percentage of obese people, at 37.55, according to the study by the National Center for Health Statistics.

People are considered obese, more or less, if their weight is more than 20 percent higher than ideal weights as listed in standard charts on the subject.

This means that more than 1 in 3 residents of the New Orleans metropolitan area has absolutely no business being in the drive-through of Popeye's fried chicken (which was, of course, founded here).

New Orleans led the list purely because "of its quality, and quantity, of great food," said Jim Hooter, an antiques dealer on Magazine Street in the section of the city known as the Irish Channel.

Mr. Hooter described a nearby restaurant, the Pie in the Sky, which serves a fantastic roast turkey po boy, on home-baked bread, with sweet purple onions.

See FAT, Page 4

A-Bomb Role Was Slight / **Guilty of Industrial Espionage, Russian Says**

A Spy Revisits the Rosenberg Case

By Michael Dobbs
Washington Post Service

NEW YORK — Half a century has passed since Alexander Feklisov says he held his last clandestine meeting with Julius Rosenberg, but the retired Soviet spy describes the occasion as if it were yesterday.

It was a hot, humid evening in August 1946. Mr. Feklisov, then a young intelligence officer attached to the Soviet Consulate in New York, had just been recalled to Moscow. The FBI was closing in on the networks of Soviet agents set up during World War II from the ranks of committed American Communists. A telegram had arrived from the KGB's Moscow Center to close the New York operation temporarily.

They met at a Hungarian restaurant on Manhattan's Upper West Side and then, as night fell, went for a walk along Riverside Drive, Mr. Feklisov said. He remembers sitting on a bench with Mr. Rosenberg and giving his American friend final instructions on how to resume contact with his Soviet handlers. He handed over $1,000 to cover possible emergencies.

At the end of the meeting, the two men stood and embraced before going their separate ways.

Mr. Feklisov went on to have a distinguished career in foreign intelligence, including a posting to Washington as KGB resident in the early 1960s. Mr. Rosenberg and his wife, Ethel, were executed in 1953 after a sensational treason trial at which they were accused of giving Russia the secret of the atom bomb.

Flash forward 50 years. Mr. Feklisov returns to New York late last August to help clarify one of the most divisive and enduring controversies in modern American history. Julius and Ethel Rosenberg went to their deaths insisting that they were the victims of a government conspiracy. Up until now, Moscow has steadfastly denied their guilt and has refused to make public any of the intelligence files dealing with the case.

For generations of left-wing Americans, the innocence of the Rosenbergs was an article of political faith.

Aged 82 and frail, Mr. Feklisov sat on a bench on Riverside Drive, near where he said his final good-bye to Mr. Rosenberg. He said the time had come to reveal what he knows about the Rosenberg affair, despite what he described as the objections of Russian intelligence chiefs.

A lifelong Communist, Mr. Feklisov wants the world to know that Mr. Rosenberg was a "hero" who helped the Soviet Union in its hour of need in World War II and was later abandoned by his Soviet spy masters.

"My morality does not allow me to keep silent," said Mr. Feklisov, adding that he is the only Soviet intelligence officer still alive with intimate personal knowledge of the Rosenberg case. "Julius was a great sympathizer of the Soviet Union. There were others who also believed in communism but were unwilling to fight. Julius was a true revolutionary, who was willing to sacrifice himself for his beliefs."

In interviews with The Washington Post and the cable television network Discovery Channel, Mr. Feklisov said he met at least 50 times in New York with Mr. Rosenberg from 1943 to 1946. He credited Mr. Rosenberg with helping to organize an important industrial espionage ring for Moscow and handing over top-secret information on military electronics.

He insisted that Ethel Rosenberg never had any direct contact with Soviet intelligence but conceded that she was probably "aware" of her husband's activities.

Mr. Feklisov, who is known in the United States for his role as a behind-the-scenes intermediary between the KGB and the White House during the 1962 Cuban missile crisis, said that Mr. Rosenberg played only a peripheral role in Soviet atomic espionage. According to Mr. Feklisov, Mr. Rosenberg was "not directly involved" in stealing nuclear secrets from the United States.

He described as absurd the assertion of the sentencing judge, Irving Kaufman, that the Rosenbergs had "altered the course of human history" by giving Moscow the atomic bomb.

'Julius was a great sympathizer of the Soviet Union. Julius was a true revolutionary, who was willing to sacrifice himself for his beliefs.'

Mr. Feklisov's assertions about the nature of the espionage role played by Julius and Ethel Rosenberg are consistent with recently released U.S. intercepts of Soviet intelligence cables between New York and Moscow from the early 1940s. The so-called Venona intercepts include repeated references to Mr. Rosenberg's industrial espionage but suggest only peripheral involvement in atomic spying.

The intercepts show that the Russians had at least three key agents in the U.S. atomic energy program, known as the Manhattan Project, who had no connection to the Rosenbergs. The most important was a nuclear scientist, Klaus Fuchs, who was convicted of espionage and sentenced to 14 years imprisonment by a British court in 1949.

Mr. Feklisov said the decision to tell his side of the Rosenberg story was a result of years of personal agonizing and arguments with his superiors in the foreign intelligence arm of the KGB.

In 1993, he began cooperating with a researcher at the U.S.A. Institute in Moscow, Svetlana Chervonnaya, and an independent American filmmaker, Ed Wierzbowski, who have investigated other Cold War spy cases. Last August, Mr. Wierzbowski's company, Global American Television, arranged for Mr. Feklisov to visit the United States to work on a documentary film about the Rosenberg case that is scheduled to be aired on the Discovery Channel next Sunday.

With the Cold War over and the Soviet Union consigned to history, it is easy to forget the extraordinary emotions aroused by the case that the FBI director, J. Edgar Hoover, dubbed "the crime of the century."

Executed in the electric chair in Sing Sing on June 19, 1953, the Rosenbergs rapidly became a potent political symbol. To the left, they were martyrs of the McCarthyite hysteria then sweeping America. To the right, they were leaders of a Communist ring that betrayed America from within.

The controversy over the government's handling of the case was heightened by the severity of the punishment. The double death sentence for husband and wife was unprecedented, at least in a federal court, and meant that two young children had to grow up as orphans.

It provoked a storm of protest all around the world, with France condemning the United States and Pope Pius XII issuing a personal appeal for clemency.

Along with the revelations contained in the Venona intercepts, which were made public in July 1995, Mr. Feklisov's reminiscences could resolve much of the remaining controversy surrounding the affair. While historians will continue to argue about certain details, there is now broad agreement between the rival camps on central facts of the case.

"The debate is closed. It's all over," said Ronald Radosh, co-author of a 1983 book, "The Rosenberg File: A Search for the Truth," which insisted that the Rosenbergs were guilty of espionage. "There is no longer any debate among serious people that Julius Rosenberg was a spy for the Soviet Union. At the same time, it is clear that the Rosenbergs did not give the Soviets the 'secret' of the bomb, and they should not have been executed."

A long-running literary feud between Mr. Radosh and Walter Schneir, a left-wing historian who has devoted much of his life to proving the Rosenbergs' innocence, over the details of the case seems unlikely to end any time soon. Both men served as consultants for the Discovery Channel and plan to publish competing assessments of Mr. Feklisov's revelations in this week's editions of their respective ideological house organs, the New Republic and the Nation.

"I accept that Julius Rosenberg was involved in espionage," said Mr. Schneir, contradicting a central point of his 1968 book, "Invitation to an Inquest," which he wrote with his wife, Miriam.

The Rosenberg children, Michael and Robert Meeropol, who have repeatedly insisted that their parents were innocent of espionage, declined an invitation to meet with Mr. Feklisov last September during his two-week visit in the United States.

Alexander Semyonovich Feklisov arrived in the United States early in 1941 under the pseudonym Alexander Fomin. The period after Hitler's invasion of the Soviet Union in June 1941 was a golden era for Soviet foreign intelligence.

Until the Western allies opened a second front in France in June 1944, Russia was left to bear the brunt of defending the world from German aggression. There was no shortage of idealistic young Communists both in America and Western Europe who were ready to assist the world's first socialist country in any way they could.

"It was not very difficult to find people to help us," recalled Mr. Feklisov, whose specialty was techno-scientific espionage. A prime source of recruits for Soviet intelligence was the Young Communist League, to which tens of thousands of college students belonged.

Mr. Feklisov credits Mr. Rosenberg with persuading some of his old friends from City College to work for the Soviet Union. Mr. Feklisov said neither he nor any other Soviet agent ever met Ethel Rosenberg, whose forceful personality was depicted by U.S. prosecutors as playing an important role in motivating her husband.

According to Mr. Feklisov, the Rosenberg spy ring supplied the Kremlin with a stream of intelligence about breakthroughs in the U.S. military electronics industry, including the development of radar systems. He said the most valuable device that the Russians received from Mr. Rosenberg himself was a fully functioning proximity fuse, used to bring down enemy aircraft without hitting them directly.

Development of the fuse was a closely guarded military secret and its production tightly supervised. Mr. Feklisov recalls that Mr. Rosenberg painstakingly assembled a duplicate proximity fuse out of discarded spare parts and then smuggled the device out of the Emerson Radio Factory in Manhattan in December 1944.

"I have a Christmas present for the Red Army," Mr. Rosenberg boasted to Mr. Feklisov at their next meeting, at a Horn & Hardart Automat.

Mr. Feklisov had called the meeting to give Mr. Rosenberg some Christmas presents from the KGB, including an alligator handbag for Ethel Rosenberg and a toy for their son Michael. He ended up having to lug a 20-pound (9-kilogram) box containing one of America's most secret military devices back to the Soviet consulate.

After they got over their initial surprise and pleasure, his bosses were furious at Mr. Rosenberg for taking the risk. At their next meeting, Mr. Feklisov passed their observations on to Mr. Rosenberg.

"I calculated the risks very carefully," he replied, according to Mr. Feklisov. "What I was risking was only one-hundredth of what a Red Army soldier risks when he attacks a tank."



The Associated Press

Julius and Ethel Rosenberg during their trial for treason against the United States.

Victor Vasarely, Master of Op Art, Is Dead at 90

The Associated Press

PARIS — The Hungarian-born painter Victor Vasarely, 90, whose strong geometric designs and innovative style gained him recognition as a master of Op Art, has died, his family said Sunday. He would have been 91 next month.

Michele Vasarely said her father-in-law had suffered from prostate cancer for the last two years. He died Saturday night at a private clinic in Paris.

She said his decline in health coincided with the travails of his Vasarely Foundation, based in Aix-en-Provence. It is scheduled to be dissolved at the end of the month.

Born April 9, 1906, in Pecs, Hungary, with the name Gyoezoe Vasarhelyi, the abstract painter studied medicine before turning to art.

Experimenting with Expressionism, Cubism, then Surrealism, Mr. Vasarely in 1955 launched into so-called Optical Art, based on creating optical illusions. The technique, which he defined in his "Yellow Manifest," gave perspective to his colored geometric visions.

Becoming a naturalized French citizen in 1959, he reached his apogee in the 1970s.

Among his best-recognized paintings is a portrait of President Georges Pompidou, an avid admirer, hanging at the Beaubourg Center in Paris.



Jean-Jacques Levy/The Associated Press

Victor Vasarely with one of his paintings in a 1972 photograph.

Fred Zinnemann, 89, 'High Noon' Director

New York Times Service

Fred Zinnemann, 89, the director who grappled with issues of moral courage in such Academy Award-winning films as "From Here to Eternity" in 1953 and "A Man for All Seasons" in 1966, died Friday at his home in London.

Mr. Zinnemann also filmed "The Search," a poignant 1948 account of the plight of Europe's war orphans; "The Men," Carl Foreman's compassionate 1950 study of paraplegic veterans, and Mr. Foreman's suspenseful western "High Noon," which won the 1952 best-director and best-movie awards from the New York critics.

"From Here to Eternity," Dalton Trumbo's forceful adaptation of James Jones's novel about the prewar army, won eight Oscars and earned Mr. Zinnemann best-director awards from both the New York Film Critics and the Screen Directors Guild.

"A Man for All Seasons," Robert Bolt's drama about Sir Thomas More's steadfast defiance of Henry VIII, won six Academy Awards and the best-director and best-movie awards from the New York critics.

At the core of Mr. Zinnemann's finest films lay a crisis of moral courage that challenged a character to face his conscience and test his integrity.

"A director," he told an interviewer, "should never compromise on important things. He must be determined to retain his ideas. This can require real stubbornness, but without it you can lose everything."

"High Noon," with Gary Cooper as a sheriff, stands as one of Mr. Zinnemann's classic dramas of a hero functioning alone, doing what he knows he must do. All the action takes place in 90 minutes, the actual running time of the film, and is punctuated by Tex Ritter's memorable voice-over singing of "Do Not Forsake Me, O My Darling."

Movies by Mr. Zinnemann also included "Act of Violence" (1949), "The Sundowners" (1960), and the popular thriller "Day of the Jackal" (1973).

Joseph Fuchs, 97, American Violinist

The Associated Press

NEW YORK — The American violinist Joseph Fuchs, 97, a teacher at the Juilliard School of Music and performer who remained before the musical public longer than any violinist in history, died here Friday of cardiac arrest, his daughter Elinor Fuchs said.

Mr. Fuchs, who was born in New York City on April 26, 1899, played violin with a vigorous, large-scaled style, a masterful technique and a rich, warm, tone. He was also praised for his interpretive power and musical insight.

Mr. Fuchs became a violin teacher at the Juilliard School in 1946. His last Carnegie Hall recital was in 1992 and he last performed at the Juilliard School in January 1995.

TRAVEL UPDATE

German Airport Risk

BONN (AFP) — Small, private aircraft and large passenger planes stand a big risk of collision above German airports because of insufficient "safety space," the German weekly news magazine Focus said Sunday.

The magazine cited pilots and aviation experts who said passenger aircraft carrying hundreds of people were finding themselves sharing airspace with smaller planes and without enough room to maneuver.

The smaller aircraft, on recreational flights or small business shuttles, often did not register flight plans above medium-sized airports like Hannover or Nuremburg, said Bernd Bockstaller, a spokesman for the pilots' association, Cockpit. He said the danger was that even if a commercial pilot spotted a smaller plane immediately ahead of him, there was little he could do to change course and avoid collision.

Yosemite National Park in California has reopened after being closed by severe flooding at the beginning of the year. *(AP)*

A strike by pilots at Air Zimbabwe, the national airline, entered its third day Sunday, resulting in the cancellation of all international and some regional flights. *(AFP)*

The government fined Alaska Airlines $810,000 for improperly changing the main landing gear on a Boeing 737-200 and then sending it on thousands of flights. *(AP)*

Cathay Pacific will add another flight to its current four flights a week linking Denpasar on the Indonesian resort island of Bali to Hong Kong, according to the Indonesian news agency Antara. The additional flight, to start on March 30, will leave Denpasar on Tuesdays and return from Hong Kong later the same day. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Ireland, Northern Ireland.
TUESDAY: Aruba.
WEDNESDAY: Iran, Japan, Liechtenstein, Malta, Spain, Vatican City, Venezuela.
THURSDAY: Israel, Mauritius, Tunisia.
FRIDAY: Afghanistan, Azerbaijan, Iran, Iraq, Japan, Kyrgyzstan, Mexico, Namibia, South Africa, Syria, Tunisia, Turkmenistan.
SATURDAY: Albania, Iran, Kazakstan, Puerto Rico.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
A renewed surge of unseasonably cold air will pour into the Great Lakes and the Northeast Wednesday and Thursday. In contrast, it will be very mild across British Columbia and warm in the western United States. Wet areas in the United States will include the Northeast and the Northwest.

Europe
A strong storm dropping across the British Isles Tuesday will bring wet weather to London and Amsterdam. The storm will then cut across central Europe Wednesday, before moving into western Russia Thursday. However, a piece of this system will hang back over Italy Thursday.

Asia
Both Koreas, Manchuria and Japan will be rather chilly for this time of year through Thursday. A round of unsettled weather will affect Japan Tuesday; otherwise, mainly dry in these areas. Mainly dry and seasonable in Beijing. Warm and humid in Hong Kong with a stray shower each day.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	23/73	11/52 s	23/73	12/53 s
Amsterdam	11/52	6/43 c	12/53	4/39 r
Ankara	5/41	-3/27 c	1/34	-1/30 sn
Athens	16/61	11/52 c	12/53	3/37 c
Barcelona	20/68	12/53 s	21/70	12/53 s
Belgrade	7/44	-5/22 c	4/39	-3/27 pc
Berlin	2/35	-4/25 pc	4/39	1/34 sh
Brussels	14/57	8/46 c	14/57	5/41 c
Budapest	3/37	-6/18 pc	1/34	-2/29 s
Copenhagen	0/32	-6/22 pc	1/34	-4/25 pc
Costa Del Sol	22/71	11/52 s	23/73	11/52 s
Dublin	14/57	7/44 pc	12/53	5/41 sh
Edinburgh	13/55	8/46 c	10/50	4/39 r
Florence	21/70	8/46 pc	17/62	8/46 s
Frankfurt	12/53	6/43 pc	12/53	4/39 pc
Geneva	14/57	7/44 c	17/62	6/43 pc
Helsinki	-5/24	-12/11 sn	-7/20	-12/11 c
Istanbul	6/43	1/34 r	2/35	-5/22 pc
Las Palmas	24/75	18/64 pc	24/75	18/64 s
Lisbon	21/70	12/53 s	21/70	12/53 pc
London	16/61	8/46 pc	14/57	3/37 c
Madrid	23/73	7/44 s	23/73	8/46 s
Mallorca	19/66	13/55 s	19/66	12/53 s
Milan	21/70	7/44 pc	20/68	8/46 pc
Moscow	-3/27	-6/22 sn	-3/27	-6/18 sn
Munich	10/50	0/32 r	8/46	3/37 sn
Nice	23/73	13/55 pc	21/70	12/53 s
Oslo	-1/31	-8/18 pc	1/34	-9/16 pc
Paris	15/59	6/46 c	14/57	3/37 pc
Prague	3/37	-8/18 sn	3/37	1/34 sh
Reykjavik	2/35	-3/27 sn	-3/27	-3/27 c
Rome	20/68	9/48 s	18/64	8/46 c
St Petersburg	-5/24	-9/16 sn	-4/25	-9/22 c
Stockholm	-3/27	-8/18 pc	-3/27	-12/11 c
Strasbourg	14/57	7/44 sh	16/61	6/43 sh
Tallinn	-6/22	-11/13 sn	-7/20	-12/11 c
Venice	21/70	7/44 pc	13/55	8/46 c
Vienna	5/41	-6/22 c	4/39	3/37 c
Warsaw	-1/31	-10/15 c	1/34	-7/20 pc
Zurich	12/53	7/44 sh	14/57	6/43 sh

Middle East

Abu Dhabi	36/79	14/57 c	36/79	13/55 s
Beirut	14/57	11/52 r	14/57	11/52 r
Cairo	18/64	8/46 pc	22/71	9/48 s
Damascus	9/48	2/35 sh	11/52	3/37 pc
Jerusalem	9/48	3/37 sh	11/52	4/39 pc
Luxor	28/79	5/41 s	27/80	8/46 s
Riyadh	26/77	14/57 s	28/79	13/55 s

North America

Anchorage	-4/25	-13/9 pc	-2/28	-7/20 sf
Atlanta	13/55	9/48 pc	19/66	8/46 sh
Boston	4/39	1/34 pc	6/43	4/25 sh
Chicago	8/46	1/34 c	7/44	3/37 sh
Dallas	22/71	13/55 c	22/71	9/48 pc
Denver	16/61	0/32 pc	21/70	8/43 s
Detroit	7/44	-1/31 pc	6/43	-4/25 sh
Honolulu	26/79	18/64 r	26/79	18/64 pc
Houston	23/73	18/64 sh	24/75	11/52 c
Los Angeles	23/73	11/52 s	26/82	13/55 pc
Miami	26/79	19/66 pc	28/82	18/64 pc
Minneapolis	0/32	-6/22 pc	4/39	-2/29 pc
Montreal	-8/18	-18/0 sn	-9/16	-18/0 s
Nassau	34/75	17/62 pc	25/77	19/66 pc
New York	6/43	0/32 pc	7/44	1/34 sh
Orlando	24/75	14/57 pc	26/79	14/57 pc
Phoenix	28/82	12/53 s	30/86	16/61 s
San Fran.	16/64	11/52 pc	23/71	13/55 pc
Seattle	11/52	8/46 sh	14/57	9/48 sh
Toronto	-2/29	-10/15 an	-2/29	-12/11 s
Vancouver	10/50	8/46 sh	12/53	11/52 sh
Washington	12/53	4/39 pc	13/55	3/37 sh

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bali	32/89	21/70 pc	32/89	21/70 pc
Bangkok	33/91	23/73 s	31/88	22/71 pc
Beijing	17/62	6/46 pc	13/55	4/39 pc
Bombay	34/93	22/71 s	34/93	21/70 s
Calcutta	35/95	21/70 s	34/93	21/70 s
Chiang Mai	34/93	22/71 s	32/89	21/70 pc
Colombo	29/82	22/71 s	29/82	22/71 pc
Hanoi	25/77	18/64 c	26/79	18/64 pc
Ho Chi Minh	33/91	23/73 pc	30/86	24/75 sh
Hong Kong	23/73	17/62 c	23/73	17/62 pc
Islamabad	21/70	14/57 sh	23/73	11/52 r
Jakarta	29/84	22/71 pc	29/84	22/71 pc
Karachi	25/77	15/59 pc	24/75	18/61 c
K. Lumpur	32/89	22/71 c	31/88	23/71 pc
K. Kinabalu	32/89	24/75 c	31/88	24/75 pc
Manila	31/88	20/68 pc	29/84	21/70 sh
New Delhi	23/82	16/61 pc	29/84	17/62 c
Phnom Penh	32/89	21/70 pc	31/88	22/71 pc
Phuket	33/91	23/73 s	31/88	23/71 pc
Rangoon	33/91	23/73 s	31/88	22/71 pc
Seoul	9/48	-1/31 s	8/46	-2/29 pc
Shanghai	12/53	6/43 pc	14/57	6/43 pc
Singapore	32/89	25/77 c	31/88	25/77 pc
Taipei	19/66	16/61 r	22/71	16/61 c
Tokyo	11/52	-2/29 pc	9/48	3/37 pc
Vientiane	24/75	18/64 c	24/75	19/64 pc

Africa

Algiers	20/68	7/44 c	23/73	10/50 s
Cape Town	24/75	14/57 s	24/75	14/57 pc
Casablanca	24/75	13/55 s	23/73	12/53 s
Harare	27/80	15/59 c	23/64	12/53 pc
Lagos	32/89	24/75 pc	30/86	24/75 r
Nairobi	28/82	13/55 pc	28/82	13/55 c
Tunis	18/64	8/46 s	21/70	10/50 s

Latin America

Buenos Aires	20/68	14/57 sh	23/73	14/57 c
Caracas	28/82	22/71 pc	28/84	23/73 pc
Lima	28/82	18/68 pc	28/79	21/70 pc
Mexico City	25/77	10/50 s	25/79	9/48 pc
Rio de Janeiro	27/80	21/70 sh	28/79	20/68 sh
Santiago	28/82	9/48 s	24/75	8/46 pc

Oceania

Auckland	19/66	12/53 s	18/64	13/55 pc
Sydney	24/75	17/62 pc	24/75	18/64 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hoc, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Clinton Home, Tendon Reattached

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton left a hospital in Maryland slightly ahead of schedule Sunday, but he remained in pain after knee surgery, aides said, and had to delay by a day his meeting in Helsinki with President Boris Yeltsin of Russia.

"I feel fine today," a smiling Mr. Clinton said as he was rolled into the White House in a wheelchair, his right leg elevated. He appeared relaxed and fit.

Mr. Clinton remained on pain medication, the White House spokesman, Michael McCurry, said, but that was not expected to interfere with his work.

His surgeons predicted a normal recovery and a return to complete mobility in six to 12 months.

Mr. Clinton's immediate schedule has been curtailed somewhat after the accident early Friday, when he took a misstep on stairs outside the Florida home of the golfer Greg Norman.

The president, who abhors inactivity, said after the accident that he didn't want his schedule to be affected. But aides chose to cancel a meeting Monday with Prime Minister John Bruton of Ireland, who is in town to mark St. Patrick's Day. Mr. Bruton will meet instead with Vice President Al Gore.

To help prepare for his Helsinki visit, Mr. Clinton will meet briefly Monday with the Russian foreign minister, Yevgeni Primakov.

The president now plans to leave Washington late Wednesday, and meet with Mr. Yeltsin on Thursday and Friday. The agenda of the meeting is not expected to be affected by the injury. Mr. Clinton had been particularly eager to get to Helsinki, where he and Mr. Yeltsin are to discuss Russian concerns about the eastward expansion of the North Atlantic Treaty Organization.

A member of the medical team that operated on Mr. Clinton is expected to accompany him to Helsinki, as is a physical therapist.

Mr. Clinton was to have visited Denmark after the summit meeting, in the first such visit by a U.S. president, but the trip has been delayed until July.

Earlier, a Washington visit by King Hussein of Jordan was postponed indefinitely.

Mr. Clinton was flown to Washington and taken to the National Naval Medical Center, in Bethesda, Maryland. Surgeons there said the president had come through a relatively routine operation Friday in good shape.

He tore part of the quadriceps tendon from the point where it meets the kneecap; in a procedure that lasted just over two hours, surgeons drilled holes into the bone to reattach the tendon.

Hillary Rodham Clinton went through the White House on Saturday with a physical therapist to ensure that carpets were taped down and to move furniture.

Mrs. Clinton, who was to have left Saturday for a two-week trip to sub-Saharan Africa, postponed her departure to Sunday.

Mr. Clinton, 50, will be hobbled for six to eight weeks, forced to wear a brace and use crutches. He will require physical therapy for months before returning to two of his favorite activities — golf and jogging.

He remained in good spirits throughout his hospital stay, aides said, watching part of the NCAA basketball tournament on television.

"I saw Greg Norman this morning," he said Saturday. "I told him my handicap is going up by the minute."

He was to have been the guest of honor Saturday at the annual Gridiron Dinner, a traditional night of good-humored, often sharply targeted raillery sponsored by long-time Washington journalists.

Instead, he taped a speech.

"Obviously I'm in no condition to do a standup routine," he said. "I feel my pain."



Steve Jaffe/Reuters

Mrs. Clinton wheeling the president into the White House on Sunday after his release from the hospital.

Another Milestone In Human Genetics

The X Chromosome Is Mapped

New York Times Service

NEW YORK — Reaching a significant goal in the project to explore the mysteries of human genes, biologists have completed a high-resolution map of the X chromosome, one of the pair that determines whether a baby is a boy or a girl.

The map consists of a set of identifiable milestones at frequent intervals along the chromosome, which is a giant molecule of DNA some 160 million chemical units in length.

Although rough maps of the X and other chromosomes have been made before, this is the first time that any chromosome has been mapped to the level of detail set by the Human Genome Project, a $3 billion effort to describe the human genetic blueprint completely, said Dr. Eric Green of the National Human Genome Research Institute.

The map, which took 10 years to complete, is the work of 25 biologists at the Washington University School of Medicine in St. Louis. The team's work, directed by Dr. David Schlessinger, was reported Friday in the journal Genome Research.

The X chromosome may to many people connote femaleness, since women have a pair of X chromosomes and men have an X and a Y.

But it is of intense interest to geneticists because of a reason that has to do with males: the fact that many conditions caused by defective genes on the X chromosome, like hemophilia and color blindness, turn up only in men.

The reason is that women can often compensate for a defective X chromosome gene if the counterpart gene on their second X chromosome is in working order.

Dr. David Nelson, an X-chromosome expert at the Baylor College of Medicine, described the map produced by Dr. Schlessinger's team as a "tour de force."

AMERICAN TOPICS

Doubts About Your Lover? Send Out a Fidelity Decoy

For lovers with doubts, it's just the thing. A California company will place temptation in your mate's way, and then document just how sagely, or salaciously, he or she reacts.

The company, Fidelity Information Recovery, was founded by an Orange County entrepreneur, Steve Cox, when he was struck by the abiding obsession of daytime talk shows with cheating lovers.

For a onetime fee of $350, he will send an attractive "decoy" to test the client's mate at his or her favorite gym or bar. The decoy approaches in high-flirtatious mode, then teases and vamps as a hidden microphone and camera capture the reaction. If the subject falls for the bait, the decoy is under instructions to make an excuse and leave quickly, reports the Los Angeles Times.

Most of Mr. Cox's clients are women, though a few men have hired him to test their girlfriends. For anyone who thinks differences between the sexes have been ironed out by the lessons and enlightenments of the 1990s, think again. Men almost always take the bait, Mr. Cox has found, and women never.

"All the male decoys came back empty-handed," he said. "They were politely rebuffed."

Short Takes

Fed up with graffiti but helpless to do anything? Don't tell that to Dan McGowan of Philadelphia. A few years ago, he took brush in hand and painted over graffiti on a wall on his South Philadelphia street. He had to repeat the process a dozen times, and neighbors thought he was nuts, fighting a losing battle. But finally the vandals gave up. And now the pugnacious Mr. McGowan heads Philadelphians Against Graffiti, which comprises more than 100 neighborhood groups.

Its members have joined with city officials to educate community groups on how best to free their streets of wall-writing — and to show them that the battle is about more than aesthetics.

"Graffiti is used to mark gang territory," Mr. McGowan said. "It's used to mark drug sales, places to buy drugs. '245' on a wall means two vials of crack for $5." Slowly, city neighborhoods have been reclaimed; pride has returned.

For all that the city owes Mr. McGowan, however, his wife is not entirely enthused. She had to threaten to write graffiti on the walls of their home to get him to paint a hallway.

Speaking of things old, the towering beehive hairdo is reported to be making a comeback in some urban areas. The big-hair thing can take anywhere from an hour to an afternoon in the beauty shop, adorned sometimes with bows, beads or colored extensions. It can make for stiff necks, doorway surprises and odd sleeping positions. But the look, as the Miami Herald puts it, is hip and high and has "so much volume you half expect the hair to speak."

International Herald Tribune.

Lehman Bros. Set Up White House Visit, Chinese Says

By Steven Mufson
Washington Post Service

BEIJING — A Chinese business executive who attended a White House coffee for political contributors hosted by President Bill Clinton last year said his visit had been arranged by Lehman Brothers, the New York-based investment bank, which was competing with other U.S. companies to do business with China.

In an interview with The Washington Post, the executive, Wang Jun, who is the head of China's most politically connected financial and industrial conglomerate, as well as a Chinese military-owned arms trading company under investigation for illegally smuggling assault rifles into the United States, said the main purpose of his U.S. visit was not an effort by the Chinese government to win influence in the United States.

Rather, Mr. Wang said, Lehman Brothers invited him to the United States, and he was interested in exploring how receptive U.S. financial markets would be to new debt offerings by Chinese companies and government agencies.

"I didn't propose this meeting," he said of his White House visit on Feb. 6, 1996. "I said again and again that Clinton was too busy. I had little to talk to him about."

Mr. Wang's account offers new insight into how he came to be invited to a White House coffee for political fund-raisers. After initial reports of Mr. Wang's attendance focused on his chairmanship of a company called Poly Group — the company under scrutiny for possible illegal arms dealing — Mr. Clinton called the meeting "clearly inappropriate."

But by Mr. Wang's account, his stop at the White House had nothing to do with Poly Group. Instead, he said, it was an unplanned interlude during a U.S. tour with an entirely capitalist purpose: to talk high finance with Wall Street firms on behalf of the conglomerate he heads, China International Trust and Investment Corp.

The Democratic National Committee has said that Mr. Wang's visit was arranged by Charles Yah Lin Trie, a former Little Rock restaurateur and longtime friend of Mr. Clinton's who is one of the principals under scrutiny in a Justice Department investigation into questionable campaign contributions.

The Justice Department has collected evidence that China tried to direct nearly $2 million in illegal campaign contributions to members of Congress and Clinton administration officials, U.S. government officials said.

Prime Minister Li Peng denied during a news conference Friday that China had sought to influence U.S. elections or funnel money to presidential or congressional candidates. Mr. Wang also denied suggestions that he or his company tried to influence American politics or U.S. policy.

A spokesman for Lehman Brothers confirmed that executives of the company met with Mr. Wang during his visit to the United States last year, but said the firm had played no role in arranging the White House visit.

During the U.S. trip, Mr. Wang's main contact at Lehman was Ernest Green, a managing director of its Washington office. Mr. Wang submitted a letter from Mr. Green when he applied for his U.S. visa, and Mr. Green contacted Lehman's New York headquarters to arrange meetings there for Mr. Wang.

The day after Mr. Wang's visit, Mr. Green contributed $50,000 to the Democratic National Committee. Mr. Green has called the timing of the donation a coincidence and said it came from his own personal funds.

Mr. Green is a major Democratic Party fund-raiser and longtime friend of Mr. Clinton's and Mr. Trie's who has given differing accounts of his relationship with Mr. Wang.

Mr. Wang's account suggests a new wrinkle in the controversy over the use of the White House for fund-raising activities. While the Justice Department inquiry is focused on alleged attempts by China to win influence improperly with U.S. politicians, Mr. Wang's version of how he came to meet with Mr. Clinton appears to show an attempt by an influential fund-raiser and Clinton friend to use his White House access on behalf of a potential business associate who could help his firm earn large sums of money.

Lehman Brothers is competing against other U.S. investment banks for new chunks of the underwriting business in China for debt and equity securities.

In the interview last week, Mr. Wang called the flap over his White House visit a misunderstanding. "I have a long-standing belief that no matter who becomes the U.S. president, when faced with a country as big as China, he will maintain good relations even if it isn't consistent with his campaign slogans," he said.

Therefore, funneling money to either U.S. political party was unnecessary, he suggested.

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Ex-Mexican Official Got Drug Money, Jury Decides

U.S. Civil Action Cites $9 Million in Bribes

By Sam Dillon
New York Times Service

HOUSTON — Ending an extraordinary civil action in which American prosecutors virtually put the Mexican government on trial for narcotics corruption, a jury has decided that most of the $9 million confiscated from the former coordinator of Mexico's drug program had come from traffickers' bribes.

The verdict Saturday endorsed U.S. government assertions that Mexico's cocaine cartels paid millions of dollars to Mario Ruiz Massieu, who served as a deputy attorney general in 1993 and 1994, to allow drug shipments to move north to the United States unimpeded.

Mr. Ruiz Massieu has not been formally charged with drug crimes. But during the trial that unfolded here over the last week, he became the highest-ranking Mexican official ever publicly accused in court by the U.S. government of narcotics-related activities.

The jury decided to return to Mr. Ruiz Massieu $1.1 million of the $9 million confiscated by the United States in 1995, apparently in response to testimony by Mr. Ruiz Massieu's 84-year-old father that he had sold a Pacific coast beach house for that amount in 1992 and turned the cash over to his son.

[Defense lawyers said they would appeal, The Associated Press reported. "We would have liked to have received, of course, all the money," Tony Canales said. "We did not."]

More than the amount of money was at stake. The six-day trial was important because of Mr. Ruiz Massieu's prominence — he is a relative by marriage of the former President Carlos Salinas de Gortari — and because it unfolded at a time when other revelations about sweeping narcotics corruption in Mexico have upset relations with the United States.

An army general who is one of Mr. Ruiz Massieu's successors as drug coordinator was arrested last month for protecting cocaine smugglers.

Mr. Ruiz Massieu's case was traced to December 1993, when he opened an account at the Texas Commerce Bank here and sent an aide to Houston 24 times in the next 15 months carrying duffel bags stuffed with cash, eventually depositing about $9 million. The funds were seized in March 1995 after the government ruled that they were probably drug proceeds.

Although only one witness described a specific instance in which Mr. Ruiz Massieu accepted payments, the government called former Mexican police officers and traffickers who testified in general terms about payoffs to Mexican officials by smuggling organizations.

Since Mr. Ruiz Massieu's arrest in Newark, New Jersey, he has been charged in Mexico with obstruction of justice and other crimes, but Mexico has lost four extradition attempts. Washington is now seeking to deport him.

Away From Politics

• **The police in San Bernardino, California** were investigating how five cardboard boxes containing 30 human fetuses ended up in a field near a highway. Investigators were focusing on the possibility the boxes came from an abortion clinic. *(Reuters)*

• **The U.S. Border Patrol and New Mexico** state policemen have announced increased patrols along the Mexico-New Mexico border aimed at reducing illegal immigration and narcotics-trafficking. *(Reuters)*

• **Following an annual spring rite** more than two centuries old, swallows returned to the San Juan Capistrano Mission in California fives days ahead of the date of traditional return, March 19 — St. Joseph's Day, but in time for the old Spanish mission to draw tourists over the weekend. *(Reuters)*

• **Drug arrests on major college campuses** climbed by almost 18 percent in 1995, according to the annual survey of campus crime by The Chronicle of Higher Education. Some college officials attributed the rise to stricter enforcement of drug laws. *(NYT)*

BRIEFLY

Gingrich Hones a Political Art

WASHINGTON — As the speaker of the House, Newt Gingrich, seeks to repair his damaged image in the wake of the House vote to punish him for breaking ethics rules, he has become adept at being visible without being exposed.

In the last two weeks, the Georgia Republican has opened news conferences and briefings with statements and then quickly left to avoid questions.

The most-asked — and most-ducked — question is when and how he plans to pay the $300,000 penalty the House levied on him for breaking the rules. The House resolution set no deadline for payment. *(WP)*

#%$! No-No's in the House*

WASHINGTON — You're a %$*%&! House members love to talk and talk, but usually not in a blue streak. The very salutations lawmakers use — addressing their vilest enemy as the "gentle lady from Virginia" or "my friend, the distinguished gentleman from North Dakota" — are intended to ensure comity.

But a report from the University of Pennsylvania paints a disheartening picture of the state of polite discourse in the House. Researchers have compiled a Vulgarity Index that counts the name calling and vulgarities uttered on the House floor. The amount of vulgarity ranged from 926 dirty words blurted out on the House floor in the 101st Congress (1989 to 1990) to a high of 1,076 no-no's hurled in the 102d Congress (1991 to 1992). *(NYT)*

A Secret Eisenhower Tape

WASHINGTON — President Dwight Eisenhower used a secretly installed dictabelt machine to record his Oval Office conversations and, on one recording described one of his predecessors as somewhat of an "egomaniac."

The discussion, on Jan. 7, 1955, with Senator Walter George, chairman of the Foreign Relations Committee, was arranged by Mr. Eisenhower to talk about congressional efforts to curb the president's treaty-making powers.

Evidently recorded without Mr. George's knowledge, the conversation is sometimes difficult to make out, but Mr. Eisenhower can be heard clearly in tracing the sour mood about presidential authority to Franklin Roosevelt, whom Mr. Eisenhower described as "almost an egomaniac in his beliefs." The dictabelts of that and a few other meetings had gone unnoticed at the Eisenhower library in Abilene, Kansas, for 40 years. *(WP)*

Quote/Unquote

Vice President Al Gore on President Clinton's leg injury: "I'm just one kneecap away from the presidency." *(AP)*

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IRELAND	IRC	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
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ASIA/PACIFIC

Hanoi Demands Beijing Stop Oil Drilling in Spratlys

Reuters

HANOI — Vietnam has called on China to stop drilling for oil close to the disputed Spratly Islands, and its Coast Guard has sent repeated warnings to Chinese vessels nearby, the official Vietnam News Agency said Sunday.

In an unusual disclosure of tension between the two Communist countries, the agency published extracts from a sternly worded letter lodged with the Chinese Embassy in Hanoi on March 10.

"The operation of the Chinese oil rig has seriously violated Vietnam's sovereignty over its exclusive economic zone and continental shelf," the letter said.

"Vietnam demands the Chinese side stop the operation of the Kan Tan 3 oil rig and withdraw it from the exclusive zone and the continental shelf of Vietnam."

The agency said the oil rig, tugboat and accompanying vessels moved on March 7 into a South China Sea area 64.5 nautical miles off Chan Nay Dong Cape, halfway down the Vietnamese coast. The area is close to the Spratly chain.

China and Vietnam are among six regional claimants to the Spratlys, which are thought to have substantial oil reserves.

The press agency said the Foreign Ministry arranged hasty meetings with Chinese officials after the rig started drilling and the Coast Guard made repeated warnings to accompanying vessels.

"But Chinese ships ignored the warning and kept on drilling operations," it said.

The protest brings a festering dispute between the two countries over maritime sovereignty out into the open after several years of careful maneuvering to settle the issue through peaceful negotiation.

Warships from the two countries clashed briefly in the Spratlys in the late 1980s.

But after the two sides normalized relations in 1991, they set up working groups to thrash out competing land and sea border disputes, which include competing claims for the Paracel Islands archipelago. The problem resurfaced last year when Hanoi granted an oil exploration and production contract near the Spratlys to the American company Conoco Inc., a unit of Du Pont Co.

A month later, China announced that it was expanding the area of sea under its jurisdiction by more than 2.5 million square kilometers (965,000 square miles), and said the move ensured that it abided by a United Nations convention on maritime law.

Vietnam and China, although ideological allies, have a long history of mutual suspicion.

Hanoi issued a low-key reaction last month to the death of China's paramount leader, Deng Xiaoping, who began a war to "teach Vietnam a lesson" for its 1978 invasion of Cambodia.

That conflict set off a period of border hostilities lasting through much of the next decade.

■ China Naval Visit to Manila

Chinese Navy ships will visit the Philippines next week as the two countries try to strengthen relations after a territorial dispute, The Associated Press reported Sunday from Manila, quoting Philippine officials.

A Chinese frigate, destroyer and escort ships will be in Manila from March 23 to 26 after visiting Thailand and Malaysia, Chinese and Philippine officials said.

The two countries have agreed to increase exchanges of visits by government and military officials following the easing of their dispute over the Spratlys Islands.

In 1995, Manila protested after China built concrete platforms on Mischief Reef, one of several areas in the Spratlys claimed by both Manila and Beijing.

China said the platforms were shelters for fishermen, but the Manila government protested, saying they could be used militarily. The platforms were never dismantled.

Such incidents have caused other claimants to harbor suspicions over Chinese intentions in the Spratlys.

Strains over the incident at Mischief Reef eased somewhat when President Jiang Zemin of China paid a state visit to the Philippines last year. The Chinese defense minister, Chi Haotian, visited last month.

Chinese Navy officers leading the 600 sailors in next week's visit are to meet with their Philippine counterparts, officials said.



Romeo Gacad/Agence France-Presse

MALE BASTION CONQUERED — Classmates congratulating Cadet First Class Sheryl Jane Uy on Sunday after she and six other women became the first female Philippine Military Academy graduates.

U.S. Calms Asians On Troop Levels

100,000 Figure Likely to Hold

By Michael Richardson
International Herald Tribune

SINGAPORE — Seeking to calm countries in Asia and the Pacific alarmed at reports that the United States is reviewing troop levels in the region, several U.S. officials have given assurances that the American military presence will not be reduced.

They have said that despite the review of deployments in both Asia and Europe, there are strong reasons for keeping the forces at current levels of about 100,000 troops in each region.

Asian officials said Sunday that the assurances, which were conveyed through diplomatic channels as well as in public comments, had been widely welcomed in the region.

They said the new U.S. secretary of defense, William Cohen, was expected to reiterate Washington's commitment to maintain about 100,000 troops in Asia when he makes his first visit to Japan and South Korea, probably in April.

Concern about possible troops cuts in Asia arose last month following reports that quoted Admiral Joseph Prueher, commander of U.S. forces in the Pacific, as saying that the Quadrennial Defense Review being conducted by the Pentagon could lead to a reduction.

He said that the review, to be sent to Congress by May 15, was exploring ways of maintaining existing military capabilities with fewer troops as well as possible troop withdrawals if North and South Korea reconciled.

In East Asia, U.S. troop levels are viewed by most countries as an important measure of Washington's commitment to the security of the region.

The American forces, most of which are based in Japan and South Korea, are regarded as a key counterweight to the emerging power of China and a deterrent to the rearmament of Japan with offensive weapons.

The administration "must recognize that the permanent presence of U.S. forces in Asia is the indisputable cornerstone of the U.S.-Japan alliance," said Hisahiko Okazaki, a Japanese former diplomat who led a recent Tokyo meeting of American and Japanese specialists on the future of the alliance. "Without that presence, the future of Asia and the strategic thinking of each nation in the region becomes very fluid."

Many analysts maintain that without the stabilizing presence of the U.S. military, there would be a widespread arms race in the Asia-Pacific region that would undermine economic growth and the confidence of business leaders and investors.

Mr. Okazaki said that the Tokyo meeting concluded that an "unchanging U.S. commitment to remaining in Asia is therefore as important a message to China and other Asian countries as it is to Japan."

Ted Warner, the assistant secretary of defense for strategy and requirements, said in Washington last week that it was possible the Pentagon's review of American forces would recommend cutting the number of troops in Asia or Europe.

But, he added, "I think there are very strong reasons why staying at roughly those numbers will be advanced."

Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies in Indonesia, noted that the United States is "a Pacific power in its own right" with major economic as well as political and security interests in Asia. Washington, he said, is likely to maintain a military presence in the region for the foreseeable future.

Following the reports quoting him, Admiral Prueher noted that the Pentagon's review of force levels did not mean that troop levels would be trimmed in Asia.

"In fact," he added, "my opinion is that the strong commitment we have to the Asia-Pacific region and its stability, as well as the need for a U.S. forward presence, are likely to be strengthened."

BRIEFLY

Burma EU Trade Status at Risk

BRUSSELS — The European Union will decide Wednesday whether to strip Burma of its low-tariff access to European consumers over use of forced labor, but the Southeast Asian nation's fate is practically sealed, EU officials said.

It seems "likely" that the move to expel Burma from the Generalized System of Preferences will be approved without discussion by ambassadors from the 15 member states, a European Commission source said. The decision then goes to EU foreign ministers for formal approval March 24.

"The only problem could come from Britain, which has a policy of not linking trade and labor issues," the source said. But British officials said London would not oppose the move. *(AFP)*

Indonesians Vow to End Feud

JAKARTA — Two Indonesian tribes have agreed to end recent ethnic clashes in Kalimantan Barat in which 12 people were reported killed, the official Antara news agency reported Sunday.

The agency said community leaders of the native Dayak tribe and migrants from Madura Island, off the principal island of Java, vowed Saturday to end their disputes at a ceremony held at army headquarters in Pontianak, the provincial capital.

"Community leaders from both parties agree that the clashes have disturbed the unity and caused losses in property and life," the agency said.

Violence erupted in the province, on the Indonesian side of Borneo island, in late December. *(Reuters)*

20,000 Poor March in Bangkok

BANGKOK — About 20,000 poor Thais marched Sunday from a makeshift village outside Government House to the capital's main public grounds, demanding justice for those left behind in the rush to development.

The protest was organized by Assembly of the Poor, a coalition demanding government compensation for victims of land disputes, industrial accidents and slum clearing for infrastructure projects.

"We come here to ask for a solution to our problems," speakers in trucks leading a first group of about 13,000 said in Thai and the northeastern Lao dialect. About 10,000 villagers, many pushed off their land to make way for hydroelectric projects and forestry reserves, have camped at Government House for almost 50 days. *(AFP)*

For the Record

Indonesia said foreign observers invited to monitor the country's May 29 general elections would not be allowed to investigate or pass judgment, the Jakarta Post newspaper reported Saturday. *(Reuters)*

Prime Minister Mian Nawaz Sharif has banned lavish weddings for the next two years, saying they had become too extravagant in Pakistan. But the ban is not backed by any law, and the Islamabad police commissioner said he had no authority to break up a costly wedding. *(AP)*

Four people were arrested last week for allegedly killing a rare giant panda to sell its pelt, Beijing Youth Daily reported Sunday. *(AP)*

Chinese Rediscover Allure of Travel

By Rone Tempest
Los Angeles Times

XIAN, China — Li Yu came in a tour bus packed with friends and co-workers from northeastern China. Other buses parked outside the Wild Goose Pagoda here on a recent afternoon contained visitors from China's far west, booming eastern coast and deep south.

Except for a visiting reporter, there was not a foreigner in sight.

"Now that I have a chance to travel," said Mr. Li, an oil worker from Heilongjiang Province, "I would feel embarrassed if I didn't come to the ancient capital of the Sui and Tang dynasties."

China's history and literature are full of travelers' tales. The towering Wild Goose Pagoda was built in 652 to house the Buddhist scriptures of a traveling monk, Xuan Zang, who brought them back from a trip to India. The manuscripts later became the basis of the picaresque Chinese classic "Journey to the West."

Under decades of Communist rule, travel was severely restricted for most Chinese. During the early stages of the 1966-76 Cultural Revolution, young Red Guards rode the rails free, waving little red books from train windows and spreading the gospel of Maoism. But most Chinese still had to show written permission from their work unit before they could buy a ticket.

When the restrictions were eased in the early 1980s, few families had the money for leisure travel. But the past few years of rapid economic growth have been marked by an explosion of both domestic and overseas tourism from all parts of China.

In 1996, 2.4 million Chinese traveled abroad at their own expense, mostly to Hong Kong and to neighboring Asian counties with large ethnic Chinese populations, but also increasingly to North America and Europe.

But the biggest growth has been in domestic tourism.

"For us, the domestic tourism business began to take off in about 1992," said Liu Xiaoling, 34, manager of the Xian Youth Travel Service here. "Before that time, we handled mostly foreigners."

Travel on domestic airlines is increasing by more than 20 percent a year, jumping from fewer than 20 million passengers in 1992 to more than 40 million last year.

According to the Beijing newspaper Financial News, revenue from domestic tourism totaled $19 million, almost double that gained from foreign tourists.

China has about 5,000 tourist agencies. Traditionally frugal at home, Chinese spend freely when touring.

Ms. Liu said: "There's a Chinese saying: 'Impoverished at home, wealthy on the road.' "

In Beijing, the most popular tourist destination, travelers jam the lower-priced tourist hotels, peer into the tombs of the Ming emperors and stroll the ramparts of the Great Wall. In the far northern city of Harbin, once part of Russia, southerners who have seen snow only in pictures bundle up to view colorfully lighted ice sculptures.

In Shanghai, Shenzhen and Guangzhou, they flock to theme parks that often are tiny worlds in themselves, with miniature replicas of the Eiffel Tower or the Pyramids of Egypt.

Hoping to cash in on the tourist boom, the remote, mountainous province of Qinghai even offers package tours to the formerly top-secret "Nuclear City" — in the grasslands 160 kilometers (100 miles) from the provincial capital, Xining — where the country's first atomic weapons were developed.

Ms. Liu, who operates her business from a small Xian hotel, offers tours that include camel riding in Inner Mongolia, trips down the Yellow River and dune skiing in the Lake Shahu region.

Her most successful recent promotion, she said, urges middle-class couples to treat their parents to a trip to China's historic landmarks.

"We call it our Love and Filial Piety package," she said. "So far we've sold 5,000 packages. It's so successful we can't even handle all the business."

ALBANIA: *EU Bars Troops*

Continued from Page 1

neighbors are receiving most of the refugees fleeing from Albania, also appealed for significant European intervention, even if troops were supplied only by a coalition of willing EU countries.

But several EU countries warned against the risk of being drawn into a conflict with no clear battle lines and of appearing to give military support to Mr. Berisha.

In a vivid reply to Dutch arguments for armed intervention, EU officials said, Klaus Kinkel, the German foreign minister, told Hans van Mierlo, the Dutch foreign minister, "You know best what happens when you send soldiers without a clear mandate."

He referred to the Dutch peacekeeping team that was driven out of the Bosnian town of Srbrenica by Bosnian Serb troops in July 1995 — an ouster that was followed by the disappearance and presumed murder of several thousand Muslims.

Mr. Rifkind underscored Britain's opposition to any military role for the EU, which London fears might undermine transatlantic defense ties in NATO. "The EU as such has no defense role, no military role," he said.

Under the agreement, the EU advisers — who Mr. Rifkind said would number "in the dozens, not the hundreds" — should arrive in Albania this week, Mr. van Mierlo said. The EU's Executive Commission will increase its monitoring team in Tirana to 16 persons from 4.

The ministers also offered to provide "substantial economic and financial assistance" once stability is restored. The EU is by far Albania's biggest donor.

"The first thing we need to do is to provide assistance to the Albanians to restore their structures so they can restore order and build peace," said Mr. van Mierlo, the current EU president. He called the plan a "very prudent, very sensible course of action."

Mr. Kinkel said Germany's insistence on a political solution, and on helping Albanians to help themselves, was in line with the position of the United States. "We want to aid the Albanians, but they have to make it possible," he said.

Mr. de Charette acknowledged the limits of action, insisting that France was not proposing to impose order by outside force. "We're not in a civil war," he explained, "it's total anarchy."

But he did not try to conceal his frustration at the failure to win support for more-robust intervention. "It's the European Union habit," he said with a sigh.

ISRAEL: *Netanyahu Vows Settlement Will Be Built*

Continued from Page 1

bloodshed if Israel went ahead with its plan to build Jewish housing on the outskirts of Arab East Jerusalem.

The king and Mr. Netanyahu telephoned the Palestinian leader Yasser Arafat on Sunday in a bid to resolve the crisis in the peace process, but failed to end the stalemate, the Israeli leader said.

Speaking at a joint press conference with King Hussein, Mr. Netanyahu reaffirmed that his government would go ahead with the construction of the Jewish neighborhood despite appeals from the Palestinian and Jordanian leaders and the West.

But he also appealed to all sides to pursue the peace process.

"We have much to gain, all three of us, in moving the process forward and we cannot let our disagreements, which are as yet unresolved, destroy the process," he said.

Israel says work will begin Monday at the 6,500-unit project on a hilltop outside Arab East Jerusalem known as Jabal Abu Ghneim in Arabic and Har Homa to Israelis.

Mr. Netanyahu says the settlement reasserts an Israeli right to all of Jerusalem and insists that the Israeli-PLO peace deals do not bar the construction. Palestinians claim East Jerusalem, captured by Israel in 1967, as the capital of a future state.

Monday, the scheduled day of groundbreaking, is the day Mr. Netanyahu and Mr. Arafat had agreed to beging negotiations on the future of Jerusalem and other tough "final status" issues.

(Reuters, AFP, AP)

■ Israel Facing Isolation

Barton Gellman of The Washington Post reported earlier from Gaza City:

The United States joined an international forum Saturday in tacit backing of Palestinian grievances against Israel, a quietly dramatic sign of the Jewish state's growing diplomatic isolation.

Over strong Israeli objections, the U.S. consul general in Jerusalem, Edward Abington, joined delegates from Russia, the European Union, Japan, Norway, Egypt and Jordan at the Gaza meeting. All the delegates, including Mr. Abington, joined in criticism of the plan to build Jewish housing at Har Homa.

The meeting "reflected the level of Palestinian frustration and the feeling of powerlessness," Mr. Abington said in an interview.

But the United States helped fend off Mr. Arafat's request for a "new mechanism" to pressure Israel and an Egyptian proposal for a joint statement criticizing Israel.

The administration President Bill Clinton also cast a veto of a United Nations security council resolution condemning the Har Homa project as "illegal," but there appears to have been a subtle shift in its approach in recent days.

A sense of looming violence hovered over the half-day gathering at Mr. Arafat's seaside headquarters and the Islamic Resistance Movement, Hamas, issued strong intimations that its dormant bus-bombing campaign might resume.

Israeli and American sources disclosed that Mr. Netanyahu had rebuffed a direct appeal from President Clinton to delay the Har Homa housing project. The appeal came in a letter delivered Thursday by the U.S. ambassador, Martin Indyk, and the sources said Mr. Netanyahu rejected it on the spot.

Mr. Arafat, while styling Saturday's meeting a "conference to save the peace process," has also interjected unmistakable notes of menace in the past week.

On Monday he held a bridge-building meeting with four senior leaders of Hamas, whose military capabilities he has quashed ruthlessly in the past year. Immediately afterward he directed the release from a Gaza cell of Ibrahim Maqadmeh, a top figure of the Hamas "military wing" that claimed responsibility for a series of suicide bombings that killed scores of Israelis last year.

FAT: *Fatter and Fattest in New Orleans*

Continued from Page 1

"But they could put cat food in there and it wouldn't matter," he said, "the bread's so good. It's not just something to eat, it's a pleasure to eat, and there's 1,000 of those places all over the city."

His mind drifted down a river of red beans and rice, through rapids of gumbo. "Roast beef po boys, with gravy and mayonnaise," he said. "When you eat it, it just runs down your arm. And when you go home to eat, you got the same stuff, only it's better."

In the nearby St. Thomas housing project, he said, stoves would be smoking with red beans and rice and macaroni and cheese. You do not have to have a lot of money, he said, to eat well here.

But there is no excuse, none, said Mr. Hooter and others, for eating badly. At Guy's Po Boys, on Magazine, the special was pork chop po boys.

New Orleans was followed by Norfolk, Virginia, (33.94 percent obesity, attributed to grits, biscuits and fried chicken); San Antonio, Texas, (32.96 percent, enchiladas and chicken fried steak), and Kansas City, Missouri, (31.66, ribs).

New York came in roughly in the middle of the field at No. 18 (27.05, good Chinese, but many health clubs).

Denver (22.10 obesity, bean sprouts) barely edged Minneapolis (22.63, fish caught through holes in the ice) as the least obese city in the country.

The health experts who conducted the study were careful to point out that the country as a whole is getting more obese, because Americans are eating more fat and exercising less.

But no other city could hold a spatula to New Orleans (bread pudding, pralines, beignets, cream sauces, smoked sausage, shrimp and cheese pies, fried chicken, fried fish, fried oysters, fried soft-shell crab, fried crawfish tails, onion rings and, perhaps the greatest indulgence of them all, a "potato po boy" stuffed with french fries, gravy and mayonnaise).

Anthony Uglesich, who owns Uglesich's, one of the city's best restaurants for traditional New Orleans food, said his chefs were conscious of cutting fat where they could — they used low-fat oils and egg substitutes like Egg Beaters — but he conceded that it was hard to cook great food, New Orleans style, with diet in mind.

"Fried grits and shrimp," Mr. Uglesich said. "Fried green tomatoes topped with shrimp and remoulade sauce." He was only quoting from the menu, but he made his point.

Now and then, chefs in the fancier restaurants talk of "low cal" New Orleans food, but those pretensions are usually blown away by the waiter's query of, "And will you be having the bread pudding soufflé tonight?"

"People come here to indulge," Mr. Uglesich said of visitors to New Orleans. It would be unfair to expect residents to abstain, people here said.

Food is life, in New Orleans.

PROTEST: *Unionists March*

Continued from Page 1

"This demonstration is a first. Social Europe is getting underway," added Louis Viannet, leader of France's Communist-led CGT union.

Mr. Nollet said: "I want to emphasize the exceptional European nature of this demonstration. Workers have come to take part from all over Europe."

The vice president of the Belgian Socialist Party, Philippe Moureaux, called for the Belgian government "to block the intergovernmental conference" to review the Maastricht treaty "so Europe can take measures against company delocalizations."

More than 500 police officers and 1,000 gendarmes were on the streets along the three-kilometer route linking the city's northern and southern railroad stations. Unions said the march was attended by thousands of workers from France, as well as by delegations from Spain, Portugal, Germany, Luxembourg, the Netherlands, Italy, Greece, Austria, Hungary, Slovenia and the Czech Republic.

Unemployment in the European Union stands at 10.8 percent of the workforce. *(Reuters, AFP)*

■ Business Code Sought

The social affairs ministers of the 15 European Union member countries called Sunday for a clear code of conduct governing business closures, Reuters reported from Rotterdam.

Their statement was issued after an informal social affairs ministers' gathering over the weekend in the Netherlands, which currently holds the EU presidency.

"The ministers called for a code of conduct which should ensure a period of consultation and information whenever a business wants to shut down," a Dutch Social Affairs Ministry spokesman said.

EUROPE

EU Confirms Turkey's Right to Join, but Not Now

By Tom Buerkle
International Herald Tribune

APELDOORN, the Netherlands — European Union foreign ministers sought to reassure Turkey on Sunday that it had a future in the West, saying they were ready to deepen economic and political cooperation and were leaving the door open to eventual EU membership for Ankara.

"It is very important that we establish a line, a language, that is both positive and comprehensive," Herve de Charette, the French foreign minister, said after a meeting of EU foreign ministers here Sunday. EU membership was not on the table today, he said, but "Turkey has the right to join the EU, and that right has to be confirmed forcefully."

The closer ties could include giving Turkey a seat at a permanent European conference, which the ministers agreed should be begun next year, alongside the 10 countries of Central and Eastern Europe and Cyprus, which have been promised eventual EU membership.

The agreement on the conference, which French officials have proposed for months but which ministers discussed for the first time here, provided the clearest signal to date that the Union will mimic the North Atlantic Treaty Organization and open membership negotiations with only a handful of the most-advanced Central European countries next year.

The conference "allows us to give those who aren't in the first wave the feeling that they are not being ignored," said the German foreign minister, Klaus Kinkel.

Mr. de Charette, who proposed the conference, said it would bring together leaders and foreign ministers of the Union and candidate countries at least once a year for talks on issues ranging from economic and political reform to combating international crime and drug trafficking. France and Britain support Turkey's inclusion in the conference, but Mr. Kinkel and several other ministers were more ambivalent.

The ministers' overture to Ankara was aimed at halting a recent deterioration in EU-Turkish relations, which has threatened to interfere with the planned expansion of NATO and the Union into Central Europe. But those relations continue to be clouded by the attitude of Europe's own leaders, as well as Greece's continued refusal to lift its veto on 375 million Ecus ($417 million) of promised EU aid to Turkey.

'The EU wants Turkey to remain on the track to Europe and not to be pushed into a siding,' but 'it is clear that Turkey does not now fulfill conditions for membership.'

Ankara was dismayed last month when Europe's Christian Democratic leaders, including Chancellor Helmut Kohl of Germany and Prime Ministers Romano Prodi of Italy and Jose-Maria Aznar of Spain, appeared to rule out EU membership for Turkey because of the country's overwhelmingly Muslim population.

Foreign Minister Tansu Ciller has threatened that Turkey, a NATO member, would block the alliance from offering membership to some Central European nations this summer unless the Union accords it the same status of EU candidate as Poland, Hungary and other former Soviet-bloc states.

Mr. de Charette and Malcolm Rifkind, the British foreign minister, insisted that Turkey's EU ambitions must be judged on the same objective criteria as Central European states. "The EU is not a Christian club," said Abel Matutes, the Spanish minister.

The EU move followed strong lobbying from Washington, which has urged Europe not to close any doors to Turkey.

"What's best is a clear signal that Turkey has a future relationship with Europe that goes beyond what it has today," said Carey Cavanaugh, a senior State Department official who has pressed Washington's case in European capitals last week.

Europe's dilemma is felt most clearly in Germany. Bonn recognizes Turkey's strategic importance to the West and does not want a rebuff to push it into deepening ties with Islamic countries, but the government is sensitive about Germany's large Turkish minority population and is wary of endorsing EU membership for Ankara.

"The EU wants Turkey to remain on the track to Europe and not to be pushed into a siding," Mr. Kinkel said. But, he added, "it is clear that Turkey does not now fulfill the conditions for membership." He and other ministers cited concerns about human rights and Turkey's handling of its Kurdish minority.

In the short run, ministers stepped up pressure on Greece to drop its veto of EU aid to Turkey in time to allow a planned meeting between Mrs. Ciller and EU foreign ministers to take place April 29.

Foreign Minister Theodoros Pangalos rejected the idea here, reiterating Greek demands that Turkey renounce any claims to Greek territory. The aid was promised as part of a customs union signed between the Union and Turkey in 1995, a tariff-lifting deal that has bolstered EU exports to Turkey sharply.

Hans van Mierlo, the Dutch minister who chaired the meeting, also called on Turkey to make further progress on human rights and show flexibility toward a political settlement on Cyprus.

Swedes in a Rash, Warning the EU About Euro Itch

Agence France-Presse

BRUSSELS — Europe's single currency could be a health hazard, Sweden will warn its EU partners Monday.

At a meeting of European Union finance ministers, Sweden will call for the new euro coins to be free of nickel, a metal used in the manufacture of coins in every EU state other than Sweden.

Daniel Barr, a Swedish finance ministry official, said as many as one in 10 people had allergic reactions to coins with nickel content, often in the form of the skin disease eczema.

He dismissed suggestions from other EU officials that the allergy was exclusively Swedish.

The Swedes, who use a metal compound known as nordic gold to replace nickel in their coins, are likely to face opposition Monday. Other EU states are concerned about the cost implications of not being allowed to melt down existing coins to be reminted as euros.

The ministers will also try to resolve a row over whether the 20-cent euro coin should have seven sides. Germany in particular is opposed to this, arguing that it will create problems for vending machines.

Scramble Starts in Dublin for President's Job

By James F. Clarity
New York Times Service

DUBLIN — President Mary Robinson's decision not to seek a second seven-year term has thrown Irish politics into turmoil.

Politicians, who are facing a national parliamentary election this year, are now wondering anxiously whom they should back in a presidential election, also to be held this year, possibly on the same day.

Mrs. Robinson, 52, who in 1990 became the first woman elected president in the 74-year history of the Irish Republic, said Wednesday that she would not seek another term and indicated, in response to reporters' questions, that she would like being considered for the post of United Nations High Commissioner for Human Rights.

While her announcement did not come as a complete surprise, it has created a new urgency among national political leaders, including Prime Minister John Bruton, to start looking for a successor. The principal question is whether the candidate for what is largely a ceremonial post should be a person not directly involved in Irish Republic politics who could run virtually unopposed, or whether there should be competing candidates from Mr. Bruton's Fine Gael party, and from the largest opposition party, Fianna Fail, headed by Bertie Ahern.

The nation's largest bookmaker, Paddy Power, has already established John Hume, the prominent moderate Roman Catholic leader in Northern Ireland, as a 4-1 favorite. Also mentioned, by politicians and analysts is another northerner, Seamus Heaney, the poet who was awarded the Nobel Prize for literature in 1995.

Although both men were born in the British province, they are eligible to become president under Irish law.

Neither Mr. Hume nor Mr. Heaney has commented. Aides to Mr. Bruton noted, however, that he was likely to meet Mr. Hume on Monday — St. Patrick's Day — and that the presidency would be a likely topic of conversation.

If no prominent outsider comes forward, the political parties will chose from among their own members. It will be up to Mr. Bruton to decide whether to hold the parliamentary and presidential elections on the same day, in November, or whether to hold the parliamentary election first.

Before the presidential vacancy became certain, Mr. Bruton was believed to favor holding the parliamentary election in June. But if he had a strong Fine Gael presidential candidate to head the ticket, he might decide to hold both elections on the same day.

Political analysts and politicians say that Fine Gael is short of strong presidential candidates. Former Prime Minister Garret FitzGerald is not believed to be interested. Peter Sutherland, a former Fine Gael attorney general and former Irish commissioner at the European Union and head of GATT, the former international trade organization, has not commented on his availability.

Fianna Fail has several possible candidates. Former Prime Minister Albert Reynolds, who gained wide popularity for his peace efforts in Northern Ireland, has indicated he would like the job, but he has many enemies in his own party. David Andrews, a former foreign minister, is expected to announce his candidacy.

Both parties have prominent women who might run. Fianna Fail has a former justice minister, Maire Geoghegan-Quinn, and Mary O'Rourke, her party's expert on unemployment and education. Fine Gael has the present justice minister, Nora Owen, and a longshot, Frances Fitzgerald, a member of Parliament and former head of the National Women's Council.

BRIEFLY

French Try 4 in a Desecration

MARSEILLE — Four French neo-Nazis are to go on trial Monday for a 1990 anti-Semitic outrage in a graveyard that caused nationwide revulsion and prompted a protest march by hundreds of thousands of people, led by the president at the time, Francois Mitterrand.

Yannick Garnier, Patrick Laonegro, Bertrand Nouveau and Olivier Fimbry are accused of unearthing the body of Felix Germon in a Jewish cemetery in Carpentras, placing graveyard emblems on his corpse and simulating a sodomization on him with a beach umbrella.

They each face two years in prison if convicted. They were arrested in July when Mr. Garnier, a former skinhead, gave himself up to the police. He identified the others. *(Reuters)*

Farm Ministers to Fight EU

BRUSSELS — European Union farm ministers are expected to fight a proposal Monday making it compulsory to state the origin of beef, even though the move is aimed at reassuring consumers after the health scare over "mad cow" disease.

Pressure to improve food safety rose last week after a European Commission report revealed widespread failures among EU member states to detect and eradicate the fatal, brain-wasting disease known as bovine spongiform encephalopathy.

But EU diplomats said the ministers were angry that the commission yielded last month to European Parliament demands that it be given a say on EU cattle identification and beef labeling systems. *(Reuters)*

Swiss Bank to Pay Off Family

ZURICH — One of Switzerland's biggest banks said Sunday that it had offered to compensate a Czech family of Holocaust survivors whose Swiss bank account was mysteriously closed in 1941 without their approval.

Union Bank of Switzerland said that its review of the account closing, unearthed by a Swiss newspaper, could not determine what happened to the money, but that it was ready to offer compensation as a gesture of goodwill.

The case highlights a dispute over Jewish groups' claims that Swiss banks are sitting on billions of dollars in wealth seized from victims of the Holocaust. *(Reuters)*

Major to Accept Blair Challenge

LONDON — Prime Minister John Major will accept a challenge from the Labour Party leader, Tony Blair, for a series of televised debates, his allies said Sunday.

Labour welcomed the move, but smaller parties, including the third-placed Liberal Democrats, said they would fight any plan that shuts them out. *(Reuters)*

The EU This Week:

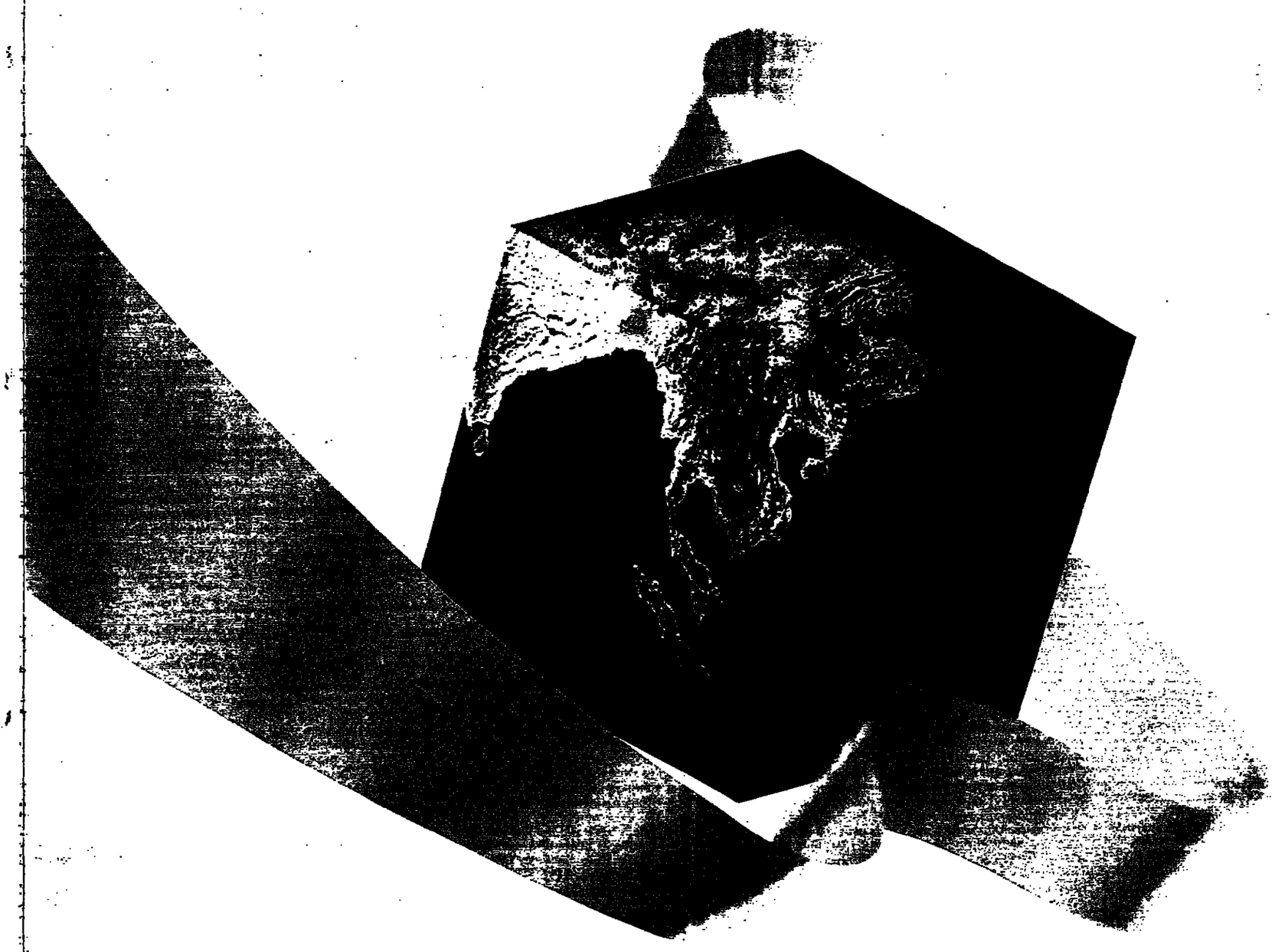
International Herald Tribune

Significant events in the European Union this week:

• Finance ministers meet in Brussels on Monday to discuss European Commission proposals for minimum energy taxes. The meeting will provide the first litmus test of support for the plan, which was drawn up after proposals for a carbon dioxide tax died last year, but which has already drawn criticism from Britain.

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Upgrading the Dow

The Dow Jones Industrial Average is *the* barometer by which many Americans measure good or bad times. Although only aficionados know how the stock index is constructed or what its ups and downs mean, people take it to be a measure of overall stock performance and — on the dubious assumption that what happens on Wall Street is intimately tied to what happens on Main Street — economic performance. If the Dow rises, times are deemed good. If it falls, run for cover.

This week the overseers of the Dow, the editors of The Wall Street Journal, make a change that could signal better times ahead. They are dropping four laggard stocks from the Dow average, and replacing them with potentially stellar performers.

The Dow is a difficult-to-explain average of the share prices of 30 American companies with "blue chip" names, like Boeing and Coca-Cola, that signify success.

Created more than 100 years ago, the index was originally intended to capture the movement of important industrial stocks. It no longer does so. An average of only 30 stocks does not capture movement in the share prices of thousands of publicly traded companies.

Also, an index limited to huge, largely successful companies reflects a sliver of the economy.

Yet the Dow retains its popularity in part because of its storied history and because, despite its skewed makeup, its movements have not deviated wildly from broader market averages.

The index is periodically upgraded to reflect changes in the nation's economy. Toward that end, the Dow this Monday adds companies in the emerging sectors of computers, finance and health care and drops some in waning sectors like oil and steel.

Specifically, the Dow adds Johnson & Johnson, Travelers Group, Hewlett-Packard and Wal-Mart, and drops Westinghouse, Woolworth, Bethlehem Steel and Texaco.

It is no accident that the stock prices of the dropouts have done relatively poorly in recent years, while the prices of the entrants have risen handsomely. Of course, the editors are not all-knowing. Some of the companies previously dropped have done well, like Chrysler.

There is one group that might not relish a Dow jiggered to better track fast-growing companies. Financial advisers earn their living by convincing clients that they can pick stocks that "beat" the Dow. But if the Dow rises faster, the stock pickers will have to get smarter to fulfill their boast. They would no doubt prefer a Dow loaded with corporate dogs, the better to convince some gullible investors that they have outsmarted the market.

— THE NEW YORK TIMES.

A More Confident America in a Changed World

By Brian Beedham

LONDON — When Boris Yeltsin meets Bill Clinton in Helsinki on Wednesday, he will also be meeting an America more confident about the world than it has been for years past.

The collapse of communism is at last starting to change the dotted lines of global power. The post-Cold War relationship between Europe and America is becoming healthily clearer.

Between them, these two things mean brighter skies in the first decades of the 21st century.

That is a bold thing to say after the frustrations and bickerings of the past few years. There are three grounds for thinking that it is nevertheless correct.

Item one. It seems pretty clear that NATO will begin its expansion this summer without doing any lasting damage to its relations with Russia.

This will baffle the assorted ex-diplomats, academics and other gloomsters of the Old Brigade, who have been arguing against NATO enlargement because their minds are stuck in the Cold War and they can therefore see NATO as nothing but an enemy of Russia. (Old men forget? If only they would.) Yet reconcile itself to a bigger NATO Russia almost certainly will, for one bleak reason and a second, happier one.

The bleak reason, to put it bluntly, is that Russia has no choice. If it is to rebuild its shattered economy, it has to stay on good terms with the West. It needs investment from America and Western Europe. It requires their blessing for the continuation of help from the international providers of money.

And it cannot afford the rearmament that a serious new quarrel with the West would mean, because that would bust its budget and the resulting inflation would destroy its hope of economic revival.

By the time this argument for staying friendly with the West ceases to apply, another argument will be emerging to Russia's east, in the shape of the rising new Chinese superpower. A richer China with a global foreign policy and a modern military armory, now a virtual certainty by the 2020s or the 2030s, will be a bigger danger to Russia with its underpopulated Siberian hinterlands than to almost anybody else, and Russia knows it. One way and another, Russia needs to hold on to the West.

Item two in the list of causes for America's new cheerfulness is the increasingly obvious fact that a bigger NATO is not aimed at Russia, but at the quite different dangers of the post Cold War world. Russia is being given the means of seeing this for itself.

If it takes up the offer of a permanent observer at NATO headquarters, its observer will soon grasp that the new Atlantic alliance is not pointing its nuclear weapons and rapid deployment soldiers to the east. NATO is looking worriedly in a different direction, to the south and the southeast of Europe.

It is wondering how to stop another Saddam Hussein from making another grab at the oil of the Gulf, how to control the passions of Islamic revivalists in Algeria and Egypt and Iran and Saudi Arabia, how to bring a steadying hand to the turmoil in Central Asia, how to prevent a bloody disintegration of much of Africa. This is the post-Cold War agenda of the new NATO.

It is radical stuff, and it holds out a radically new prospect.

The NATO that is trying to get to grips with these problems is not just another temporary, one-purpose get-together of Americans and Europeans. It was a one-purpose operation that beat the kaiser in 1918, another that destroyed Hitler in 1945, and another that brought about the collapse of communism half a dozen years ago.

Now, at long last, we have the makings of a permanent alliance of the Western democracies, a standing army ready to deal with any of the crises that they may face in Western Asia and Northern Africa in the coming century.

Around the military core provided by NATO will be a network of other connections. There will be the special relationship with Russia (in which Russia's right to watch NATO should be matched by NATO's right to keep an eye on Russia's foreign policy). There will be Partnerships for Peace with other countries east of NATO. There will be the sometimes useful Organization for Security and Cooperation in Europe.

Add these up and you have a democracy-supervised system of security stretching all the way to Vladivostok.

And the new system will not be, as the 20th century's trans-Atlantic alliances were, just a means of bringing America to Europe's rescue. Now Europeans may be prepared to fight alongside Americans, as they did in the Gulf, for joint Euro-American purposes. Here is the second reason for America's new self-confidence.

And item three? It is starting to dawn on Americans that they are for the time being — meaning perhaps for the next 20 or 30 years — the sole possessors of a new kind of military power.

The information revolution, applied to warfare, is changing the face of battle. The movement of armies can now be seen by eyes in space long before the armies reach the front. It may soon be possible to detect individual targets — even small groups of men sidling among the trees — through darkness, fog or smoke. High explosives can be precisely aimed at such targets from far away.

It looks like a new sort of war, and so far only America seems likely to possess all the means of waging it.

This alters, among other things, the way Europe looks at America. As Zbigniew Brzezinski said at last month's meeting of the Center for Strategic and International Studies in Brussels, America is delighted to have Europe take a larger part in the work of the new NATO, but the most decisive part of NATO's new military clout will be in America's hands.

The Europe of today has neither the money nor, it seems, the desire to duplicate America's military revolution. In the years ahead, Europe will have good cause to hold tight to America when the guns begin to fire.

Small wonder that Americans sound chirpier about the world. As one of them has put it, the bridge built across the Atlantic 50 years ago reached halfway into Europe. Now is the time when it can be extended the rest of the way.

International Herald Tribune.

No to Ramos-Horta

The Indonesian businessman Mochtar Riady, founder of a $5 billion business empire that contributed to the Democratic National Committee, met personally with President Bill Clinton twice. His son James Riady had six meetings with the president, some of which included policy discussions about Indonesia.

But the president, regrettably, had no time to meet with a Nobel Peace Prize winner from Indonesian-occupied East Timor who recently visited the United States for two weeks.

Jose Ramos-Horta is an exile from East Timor, the island Indonesia invaded in 1975 and has suffocated ever since. He shared the 1996 Nobel Prize with the Timorese Bishop Carlos Ximenes Belo, a conciliatory spokesman for his people at home.

The firebrand Ramos-Horta, who helped found a Timor revolutionary group in the 1970s, travels widely to promote the Timorese cause. Among other things, he wants Washington to send an envoy to mediate the conflict. He would also like Washington to characterize Indonesia's occupation of East Timor as reversible.

Representative Patrick Kennedy of Rhode Island tried to arrange meetings for Mr. Ramos-Horta with President Clinton, Vice President Al Gore and Secretary of State Madeleine Albright. They were all too busy, Mr. Kennedy's staff was told.

Mr. Ramos-Horta did get to make his pitch to Assistant Secretary of State John Shattuck, who is in charge of human rights.

The White House was obviously not eager to offer hospitality to someone who would offend the Indonesian government. Mr. Ramos-Horta's shabby treatment shows that the White House can vet guests when it wants to.

— THE NEW YORK TIMES.

The Bosnian Peace Is Decaying, So Dayton Wasn't Enough

By Dusko Doder

WASHINGTON — More than a year after the U.S. diplomatic triumph at Dayton, the peace process in Bosnia is disintegrating fast. The gush of official optimism that followed the initialing of the Dayton accord 16 months ago has been replaced by virtual silence.

The new secretaries of state and defense have barely mentioned Bosnia — except to say that U.S. troops will be out on schedule, by June 1998.

The Clinton administration, so Defense Secretary William Cohen put it, will not be swayed by humanitarian concerns. If the three warring parties "go back to slaughtering each other" that is "going to be up to them."

The Dayton accord stopped the Bosnian war. It also held out hopes that the unhappy land would be helped by the international community to start the process of reconstruction. The prevailing view was that the restoration of economic and social stability would facilitate a lasting political settlement.

This was a misbegotten assumption. Despite an international aid effort, Bosnia today remains in tatters, its industries idle and more than half its population unemployed. In the absence of a political settlement, the three communities have been unable to agree even to restore the telephone system and share a single international dialing code. Psychologically and practically, all sides are preparing for more war.

The reason for this is rooted in Dayton. At its core is a fundamental contradiction. The accord could be interpreted as providing for a unitary Bosnia with a central government and institutions. But at the same time it recognizes two distinct political entities with effective sovereignty and exclusive political authority on their respective territories.

A second glaring Dayton shortcoming turned the predator Serbian and Croatian governments, which had earlier plotted a division of Bosnia and financed the Bosnian war, into the guarantors of the agreement.

What is required in the current situation is for the United States and its European allies to offer an affirmative political program to the three Bosnian communities.

We have to begin by recognizing the flaws of Dayton. While it is obvious that Bosnia is unlikely to become a unitary state for a long time, the three ethnic para-states should be nudged into a confederal arrangement with extensive home rule but without the sovereign powers they now possess (three different currencies, just to give one example). Given time and support, they could eventually evolve into a federal state.

At the same time, the United States and the international community should make it abundantly clear to the dictators in Belgrade and Zagreb that their territorial appetites will not be gratified.

Not only that. Croatia must be forced to relinquish its direct control over the Croat-held section of Bosnia. Serbia's Slobodan Milosevic, who more than any other man is responsible for the Yugoslav tragedy, must be forced to stop financing the Bosnian Serb army. And the Muslim nationalists led by Alija Izetbegovic must know that they will not gain control over all of Bosnia.

There is no quick fix in the Balkans. But a political settlement would open the space for civil societies to develop and gradually restore their capacity to work together. They managed to do so during Tito's time. They can do so again.

This will not happen without a decisive outside intervention, though. Here is an opportunity for the new secretary of state to revive the Dayton process with new energy and imagination.

The process needs hands-on management; we should remember that Dayton was made possible to a large extent by the relentless drive of a single American diplomat who was given the authority to achieve an end to fighting in Bosnia.

A new U.S. effort of this kind would help stabilize the political climate in Bosnia and reduce the need for a large U.S. military presence.

The writer, a senior fellow at the U.S. Institute for Peace, contributed this comment to The Washington Post.

Look Into Cloning

An astonishing amount of nonsense has been talked about the prospects of human cloning since Dolly the sheep burst on the genetic scene late last month. Discussions of cloning factories, transplant farms and other ghastly scenarios have assumed that a society that permits making a genetic copy of someone or something will automatically be willing to go ahead and create virtual human robots with no rights of any kind. Other scenarios ignore that a cloned embryo would still have to be carried to term in a womb like a normal pregnancy, not hatched in assembly line jars like an Aldous Huxley-style factory.

Echoing the panic, several states and at least one member of Congress have rushed to introduce bills banning the cloning of a human, as Britain and several other nations already do.

Sorting out fact from fiction in the panic is one task of the National Bioethics Advisory Panel convened by President Bill Clinton. Other hearings have sprouted, clone-like, around town and in Congress; Dolly's actual cloner, the Scottish scientist Ian Wilmut, has addressed a Senate subcommittee and the National Institutes of Health.

Mr. Clinton convened the bioethics group last month when the news became public, asking them to evaluate laws already on the books regarding cloning research and to weigh what types of research should and should not go forward.

He offered an opening position, calling for a 90-day moratorium on federal funding of human cloning research and requesting a similar voluntary moratorium by private researchers — who, partly because of federal funding bans on related subjects like fetal tissue and human embryo research, do most of the work in this field.

The president urged humility and reverence, saying that human life is sacred and we should "resist the temptation to replicate ourselves." A raft of religious leaders have echoed that message in testimony to the bioethics advisory panel. But the issues before the panel, or other bodies that might regulate cloning, are not metaphysical but practical.

The question, in light of Mr. Wilmut's breakthrough, is no longer whether cloning is possible or whether someday we will have to face the possibility of knowing how to do it. Clearly, someday, somebody will know. And since regulation of human reproduction can go only so far, at some point someone, somewhere, may clone a human being.

But that is no reason for everyone else to abandon all efforts at line-drawing or to assume that cloning is so new and bizarre that logic and traditional moral distinctions cannot be brought to bear.

Harold Varmus, director of the National Institutes of Health, broke what had been an uninterrupted parade of predictions of doomsday by pointing out that there might actually be types of human suffering that cloning could alleviate — even, in certain circumstances, that cloning might be the best way to alleviate — and that overreaction to the scarier aspects of cloning could needlessly block a full understanding of the possibilities as well as the dangers.

Since then, others as disparate as Senator Tom Harkin, Democrat of Iowa, and Cardinal John O'Connor have urged the distinction between a premature and ill-advised ban on research and a later, more considered ban or regulation on the procedures that research may ultimately turn up. They are right. Even if the dangers of cloning prove overwhelming, open-eyed caution is a better defense against them than determined ignorance.

— THE WASHINGTON POST.

Change the Subject With Yeltsin to Helping Russia Reform

By William Safire

WASHINGTON — The joke on the phone from Moscow has two guys in the front seat of a speeding car. One shouts "Turn the wheel! We're going to crash!" and the other says "I can't." "But there's a stone wall ahead — turn now!" "Can't." "Why not?" "Because you have the wheel."

Boris Yeltsin has the wheel and is shouting at others to turn Russia's economy from disaster. He is six months late and $10 billion short in payments of wages to teachers, the police and the military. Unions plan an all-Russia general strike at the end of the month.

To show the world who is back on the job and in charge, Mr. Yeltsin put on a display of activity last week, firing everybody in sight except his passive prime minister, and the only reason that political zombie escaped is that Mr. Yeltsin doesn't want the Communist-dominated Parliament to have its say in picking a successor.

The man brought back through the Kremlin revolving door is Anatoli Chubais, whom Mr. Yeltsin kicked out in the last shuffle. He is the former reformer who privatized much of Russia's assets by putting them in the corrupt hands of the old apparatchiks, the Russian mafia and the "seven brothers" oligarchy that runs the banking and media industries.

Mr. Chubais has some of the qualities of America's Jim Baker: considered shrewdly manipulative by insiders, and rejected as an unprincipled cold fish by voters. He is smart enough to know that further flirtation with the weakening Communists or the would-be Man on Horseback Lebed will not bring in Western capital to revivify the economy.

Where do Mr. Yeltsin and Mr. Chubais turn, now that they have given the illusion of having cleaned house, to find honest officials who know what they are doing — and, more important, who know what to do to get Russia out of its rut?

The answer: democratic reformers. Not the shock therapists who have no following, but the "new blood" in Yabloko, the only serious non-Communist party, which has 8 percent of the Duma seats and is building a national political organization.

But Mr. Chubais, 41, has a problem with Yabloko: Its leader, Grigori Yavlinsky, 44, is his rival. "I love Grisha," Mr. Chubais told me last year, "but he's impossible."

How does Mr. Chubais, back in power for the time being as first deputy prime minister, bring in the good guys to help without the "impossible" chief good guy? Divide and conquer. Last week, he offered five of the Yabloko leaders — but not Mr. Yavlinsky — key domestic ministries, from economic-financial to social policy and privatization. These were all men who pointedly refused to vote for Mr. Yeltsin in the last election.

But the reformers did not splinter. Acting as a unit, with a suddenly friendly television media giving Mr. Yavlinsky time to express his support on prime time, the chosen handful from Yabloko stuck together and published a set of conditions for coalition.

The plan: Force all government officials to reveal income and property holdings; cut the bureaucratic apparat of the president; make monopolies like Gazprom, railways and arms manufacturers pay taxes; propose laws to attract foreigners to develop natural resources.

Mr. Yavlinsky's demand: "human rights, private property, competition, payment of debts to the people."

Will Mr. Chubais swallow all this reformist good sense and sell it to Mr. Yeltsin? Not if he can avoid it. But if the tide of resentment keeps rising, and the alternative is Alexander Lebed, he may be inclined to do the right thing for the country.

Strange things can happen. Who would have imagined, three months ago, a Russian-American summit with a frisky Russian president and the U.S. leader on crutches, literally and politically?

Bill Clinton, who has not been weak-kneed on NATO enlargement, should stop apologizing for protecting Poland and start bringing in the Baltic states. He should stop making concessions on NATO troop positioning and change the subject to how America would respond positively to a Yeltsin coalition with Yabloko's democratic reformers. Sure, it's a long shot. But in this world of topsy-turvy political fortunes, what's a summit for?

The New York Times.

Help Russia Join the Real World

By Sherman Garnett

The first of two articles.

WASHINGTON — When Boris Yeltsin lands in Helsinki on Wednesday, the story of the summit should be whether he and Bill Clinton are taking steps to correct Russia's continuing maladjustment to essential post-Cold War realities.

Russia's self-isolating resistance to NATO enlargement is by far the most obvious example of that maladjustment.

At the July NATO summit, Poland, Hungary, the Czech Republic and possibly others will be invited to join the Atlantic alliance. For its Western proponents, this enlargement will lock in the positive changes that have transformed these three Central European states, encourage others in the region to follow suit, anchor the United States firmly in Europe and demonstrate that the West's core institutions still have relevance and vitality for post-Cold War Europe.

But for the Russian foreign policy community, NATO enlargement, to quote Boris Yeltsin, "is aimed at pushing Russia out of Europe."

Mr. Clinton hopes to defuse these tensions at Helsinki by making progress on the basic elements of a NATO-Russian charter that could be signed during or before this summer's meetings in Madrid.

But if grudging Russian acceptance of NATO enlargement may be at hand, there are few signs that Russia has adjusted to the more important reality of its own weakness.

There is no quick fix to the imbalance between Russia's inflated ambitions and its diminished capabilities. The Russian economy is still shrinking. A mixture of stagnant reforms, corruption and governmental breakdown is depriving the country of its long-anticipated return to economic growth.

Russia will not be able to afford an ambitious foreign policy for some time, even when a significant turnaround is at hand. The army is a shambles, and it will be a decade or more before Russia reconstitutes a credible military force.

Russia's foreign policy institutions are divided and lack central coordination. New initiatives and personnel shuffles are announced with alarming regularity, but they have done little to restore credibility or coherence to Russian foreign policy.

The overriding problem for Russia is not who is running the show, but the contraction of state power and the weakness of the basic institutions that must manage it. Mr. Yeltsin's prolonged absence exacerbated, but did not create, this muddle.

The most serious weakness is an intellectual one. Russia's foreign policy community cannot match its exalted aims with existing means. This community was raised on czarist and Soviet legacies that placed Russia among the great powers and made it the dominant player on the Eurasian landmass.

Many of Moscow's key foreign policy challenges are presented by countries that were until recently republics of the Soviet Union or its satellites. It is not surprising, therefore, that Russia has fashioned a foreign policy consensus that insists, in Foreign Minister Yevgeni Primakov's words, that Russia must be "a great power right now" — a status it enjoys on the basis of its "colossal potential."

That potential explains Russia's illusory vision of deep political, economic and security integration between the states of the former U.S.S.R. Leading Russian policymakers and analysts believe that Russia must reassert its historical dominance over these states in order to catapult Russia back onto the world stage and to protect its vital interests.

The writer is a senior associate at the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Borgia Galleries

ROME — The famous Borgia galleries have been inaugurated after their restoration. The invitations were given *viva voce*, as the Pope wished to give the ceremony a most exclusive character. The six galleries (decorated by the artist Pinturiccio) were inaugurated one after the other: in each a throne had been prepared for the Sovereign Pontiff, who listened with the deepest interest, to the history of the famous frescoes. A piquant feature in the decorations is that all the personages represented were historical figures contemporary with Pinturiccio. Among them is the beautiful Lucretia Borgia depicted as a Saint: Saint Catherine!

1922: Film Tragedy

SAN FRANCISCO — Miss Mary Miles Minter, the diminutive film star, sailed to-day for the Orient under the assumed name of Juliet Shelby in the liner Wilhelmina, seeking to forget the slaying of Captain William Desmond Taylor, the film director, whose murder shocked the film colony of Los Angeles and to whom Miss Minter wrote ardent love notes.

1947: Gandhi Is Upset

PATNA, India — Close associates said today [March 17] that Gandhi may resort to a fast to the death in a supreme effort to end India's communal violence. The Mahatma — who is normally calm and self-composed even under the most disturbing conditions and who repeatedly has maintained that loss of self-control was a sign of weakness — was visibly upset after inspecting some of the worst scenes of destruction in Bihar. He said he "would prefer not to live to see the day when non-violence was thus beaten."

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LANGUAGE

Would You Rather Be More Right?

By William Safire

WASHINGTON — "It is wrong." I wrote in medium dudgeon (as opposed to high dudgeon, in which I would have written "It is morally corrupt" — a *dudgen* or *dudgeon* is an archaic word for a wood-handled dagger, and nobody knows how it came to mean "a fit of indignation," with its first citation in 1573) and what kind of tangent am I off on? Begin again.

"It is wrong to use tax-exempt money to support political activity," wrote the moralizing vituperator. "It is *wronger* for a lawyer paid by the people to use the claim of 'executive privilege.'"

"Say it ain't so!" writes Kenneth Palmer of Kannapolis, North Carolina. "Our search of the American Heritage Dictionary failed to turn up such a word. . . . One of us is *wrong*."

The question is: Should it be *more wrong* or *wronger?* In his "Syntactic Phenomena of English," which I carry around in my pocket, Professor James McCawley of the University of Chicago department of linguistics, writes that comparatives are formed with "long adjectives and adverbs generally demanding more and short ones demanding *-er*, subject to some exceptions such as *more right* and *more wrong* that are preferred to *righter* and *wronger*." Robert Burchfield's edition of Fowler's Modern English Usage agrees.

Gee. Even E. Ward Gilman, editor of Merriam-Webster's Dictionary of English Usage, who is no prescriptivist, holds that "although such writers as George Bernard Shaw used *wronger*, it is an infrequent use of the comparative of *wrong*." He has on file a New York Times headline from 1987 — "Longer and *Wronger*" — but that was apparently chosen because of the rhyme.

The Oxford English Dictionary offers me no succor; the only use of *wronger* is as a noun, "one who *wrongs* another," its first use in 1449 as "Defenders agens *wrongers* and diffamers of the . . . wickid world," now a self-description of White House Associate Counsel Lanny Davis.

I could claim that *more wrong*, to my ear, is not as strong a comparative as *wronger*, but as Richard Nixon never said, that would be *wronger*. I erred, Mr. Palmer, and would now rather be more right than president.

□

Hardly anybody says "I can't stand him" anymore. Nor do we hear "She makes my skin crawl" or "I despise him with every fiber of my being." Instead, the same feeling is expressed in the coolly clinical "We have a *dysfunctional* relationship."

When Mom Kallikak the pseudonymous goes off on a toot and Pop tries to get his clutches on the cleaning lady, and as Junior blames parental neglect and sibling ribaldry for his drug-cultural descent, molested Sis sells the story to a publisher as "the saga of a *dysfunctional* family."

The prefix *dys-* is always bad news. After Greek, Gothic, Old English, Indo-European, Sanskrit, any root you like — a *dys-* is "bad, difficult, impaired," the opposite of the prefix *eu-*, which always provides a nice day. Doctors picked up *dys-* in 1916 and married it to *function* and then sociologists and psychologists glommed on to it in a big way.

The *dysfunctional family* was a coinage of the psychiatric social worker Virginia M. Satir in her book "Conjoint Family Therapy" (1964). It became such a cliché that when Wendy Kaminer wanted to parody Thomas A. Harris' book "I'm O.K., You're O.K." (1967) she titled her book "I'm *Dysfunctional*, You're *Dysfunctional*" (1992).

Politics was next. John Broder, investigating the archaic modernization at the Internal Revenue Service, used the vogue word to describe many of the agency's computers.

And on NBC's "Meet the Press" last month, District of Columbia Mayor Marion Barry wedded the economist's 1932 *structural unemployment* to the *dysfunctional family* to come up with the reason D.C. government does not work: it is *"structurally dysfunctional."*

As Bert Lance might now say, "If it ain't *dysfunctional*, don't fix it."

New York Times Service

BOOKS

IN THE COUNTRY OF COUNTRY: People and Places in American Music

By Nicholas Dawidoff. 371 pages. $25. Pantheon.

Reviewed by Jonathan Yardley

NICHOLAS Dawidoff, whose "The Catcher Was a Spy" is an excellent account of the strange, fascinating life of Moe Berg, has turned his attention to another strange, fascinating American phenomenon: the musical form, or forms, that for want of a more accurate term we lump together under the rubric of "country."

This music, Dawidoff correctly believes, "is a piece of our social history [that] describes in its songs the experiences of people who weren't often written up in the newspapers." In writing this book, he aimed "to visit with some of the finest living American country musicians" and "to go to some of the places where great country music comes from."

Any such book is bound to contain lacunae. The biggest in "In the Country of Country" is called "Willie Nelson." This dominant figure of post-1960 country music flits in and out of Dawidoff's chronicle yet is never addressed directly, an oversight that doubtless will strike many other readers just as it strikes me: as both inexplicable and indefensible. Ditto for the near-omission of Waylon Jennings; the glancing treatment of Loretta Lynn, Charley Pride and Ray Charles; and the failure to address in an absolutely central way country's absolutely central man, Hank Williams. Obviously every writer must make his choices, and many of Dawidoff's are intelligent and imaginative; but these lacunae are large.

Still, as what it is rather than what we might wish it to be, "In the Country of Country" has much to offer. Perhaps its strongest point is Dawidoff's understanding that country music is not "of pure white, Southern, rural origins" but is "a hybrid form conflating many extant styles of popular and religious music," the most important being those — the blues, spirituals — arising from African-American life. Jimmie Rodgers and Hank Williams sang the blues, Bob Wills played jazz and so, too, does Merle Haggard. Country is really less country than American, which is why the temptation to put quotation marks around it is powerful.

As Emmylou Harris told Dawidoff, "Country music could only have happened in America. Country music is the product of so many separate cultures of people coming together that the separate disappears and we're creating something else." This is a second important aspect of country music that Dawidoff keenly appreciates: it is a music constantly in a state of revision and transformation, absorbing new influences, throwing off or minimizing old ones. Not merely is country not "pure white," it is also not pure country.

Despite the claims of various musicians and promoters, there is no such thing as "real" country: the roots of country are far less visible than are those of jazz, and its development is even more difficult to chart.

Like many who have written about country music, Dawidoff chooses to locate its beginnings in the brief, mythical career of Jimmie Rodgers, the "Singing Brakeman" whose raunchy blues and plaintive yodels gave musical expression to Americans whose voices had not been heard in the national culture. There isn't much to argue with in this, but country music as we know it today is a long way from Rodgers and owes considerably less to him than it does to Hank Williams, who made the honky-tonk to country music what the bordello and then the nightclub already were to jazz: the rough place out of which emerged such astonishing music.

Dawidoff spends a lot of time talking with people, musicians and mere listeners who heard Rodgers in person or on recordings, but comparatively little talking with those who have memories of Williams. What makes this doubly odd is that George Jones, whom Dawidoff admires with all due extravagance, is Williams's linear heir and successor, the man who carried the honky-tonk torch handed down by Williams and Lefty Frizzell and then passed it along to a younger generation that — as Jones himself knows better than anyone — scarcely knows what to do with it.

DAWIDOFF is also an admirer of the great Californian exponent of the honky-tonk tradition, Buck Owens, whose debt not merely to Williams but to the honky-tonks is self-evident. "They were places to go for the people to get out of the cold or the heat," Owens told Dawidoff. "It was women, if you were a man, and it was whiskey. Some only forget when they drank. Some could only remember when they drank."

All of which is the raw material out of which country music is fashioned; its subjects, as Dawidoff writes, "are both quotidian and universal: faith, love, family, work, heartbreak, pleasure, sin, joy and suffering." These, it will be pointed out, are also the themes of the blues, of jazz — and of Bach, Beethoven and Brahms. There aren't that many great themes to go around, so each art form treats them in its own way. Country happens to include a certain amount of down-home dissipation and a certain amount of twang.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

THERE were four nail-bitingly close finishes in the Vanderbilt Knockout Team Championships recently, at the American Contract Bridge League's Spring Nationals. In one of them, Richard Schwartz of East Elmhurst, Queens, held on to win by 3 imps against Gerald Sosler of Purchase, New York, and his team.

Bob Goldman of Highland Villages, Texas, playing for the Schwartz team, brought home a difficult three no-trump on the diagramed deal. West led the diamond queen, the suit his partner had bid, and East could not afford to overtake. The queen was allowed to win, and West shifted to a spade. South captured the ten with the queen and finessed the club queen successfully, collecting a diamond from East.

South needed to build up a heart trick, and reasoned that East must hold the A-Q of hearts to justify his vulnerable overcall at the two-level. He led a low heart from dummy, planning to play the jack, but East won with the queen and led the diamond ten. South won with the jack, and led a club to the ace, on which East gave up another diamond. Now the heart king was led, and after taking the ace East drove out the diamond ace. But now Goldman had the ending he wanted. He cashed the heart jack and led his last diamond, forcing East to lead from the spade jack at the finish into dummy's A-K-9 combination.

Making three no-trump, for 600, gained 3 imps for Goldman and his teammates, exactly the margin by which they won the match. In the replay East-West played two diamonds doubled, and escaped for down two, a loss of 500.

NORTH (D)
♠ A K 9 6 4
♡ K 9 3
◇ 8 2
♣ A Q 8

WEST
♠ 7 5
♡ 10 7 6 2
◇ Q
♣ K 10 9 7 4 3

EAST
♠ J 10 3 2
♡ A Q 4
◇ K 10 9 6 5 3
♣ —

SOUTH
♠ Q 8
♡ J 8 5
◇ A J 7 4
♣ J 6 5 2

Both sides were vulnerable. The bidding:

North	East	South	West
1 ♠	2 ♢	Pass	Pass
Dbl.	Pass	2 N.T.	Pass
3 N.T.	Pass	Pass	Pass

West led the diamond queen.

CROSSWORD

ACROSS

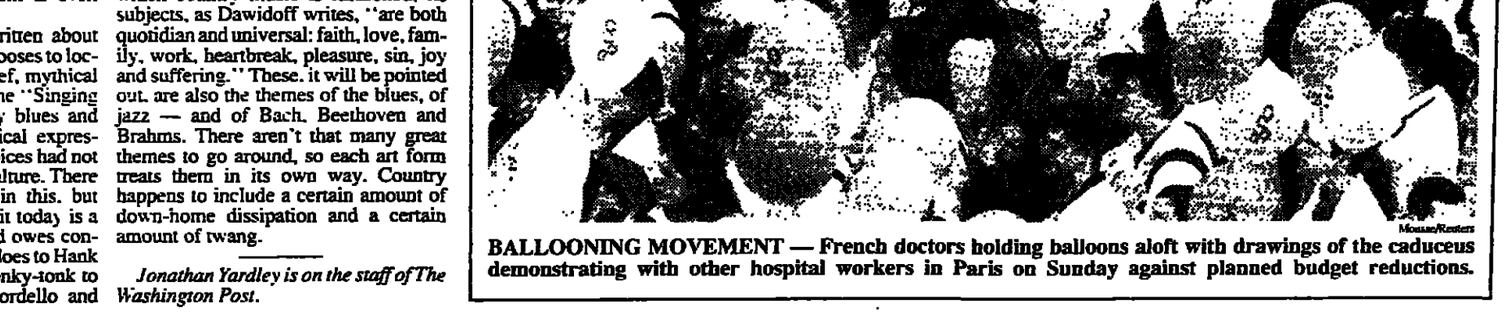
1 Pre-entree dish
6 Sit in the sun
10 Cozy home
14 Reflection
15 Opposing
16 Go —— (exceed)
17 The "N" of U.S.N.A.
18 "Forever"
19 "Get going!"
20 Go
23 Withdraw from the Union
26 Those going 80, say
27 Med. cost-saving plan
28 And so on
30 Historical period
31 Teen woe
33 It makes an auto go
35 —— latte
40 Go
44 Intuit
45 Hankering
46 Castle's protection
47 Chef's measure: Abbr.
50 Something to go to a bakery for
52 Wash. neighbor
53 Delivered a sermon
58 Comments to the audience
60 Go
62 Milky-white gem
63 Sacred Egyptian bird
64 War story, Greek-style
66 Chant at a fraternity party
69 Swiss painter Paul
70 The brainy bunch
71 George Washington bills
72 Arid
73 Cousin of a Golden Globe

DOWN

1 Transgression
2 Doc's org.
3 Restroom, informally
4 Wide-open
5 Deceive
6 False god
7 Black cattle breed
8 Treeless plain
9 Mouth, to Ralph Kramden
10 One always on the go
11 Call forth
12 Cut off
13 Lock of hair
21 "Take your hands off me!"
22 *Instruct*
23 Pre-Ayatollah rulers
24 Host
25 Sir Arthur —— Doyle
29 Saturn, for one
32 Mag workers
34 Pigpen
36 Order between ready and fire
37 Result of a bank failure?
38 Distress signal
39 —— Park, Colo.
41 "Go get it, Fido!"
42 Jitterbug's "cool"
43 First digital computer
48 Arab leaders
49 Little rock
51 Inuit
53 Kind of ID
54 Wisconsin college
55 Story, in France
56 Ayn Rand's "—— Shrugged"
57 *Less most*
59 South Sea getaways
61 Words of comprehension
65 Business abbr.
66 Simile's middle
67 —— 68 Salaam

Solution to Puzzle of March 14

M	O	N	O	P	O	L	Y		G	I	L	D	E	D
O	R	A	T	O	R	I	O		O	L	E	A	R	Y
S	E	T	T	L	I	N	G		M	O	T	I	L	E
T	O	O		Y	O	D	A		O	N	U	S	E	S
			R	E	L	Y		W	R	A	P			
O	B	T	U	S	E		D	A	R			C	D	S
T	O	A	S	T		K	A	L	A	M	A	Z	O	O
H	O	U	S	E	S	A	N	D	H	O	T	E	L	S
E	S	P	E	R	A	N	T	O		M	E	C	C	A
R	T	E		W	E	E		D	A	S	H	E	D	
		J	A	B	S		P	E	N	T				
A	N	G	E	L	O		R	I	N	D		E	R	G
D	A	R	W	I	N		S	K	I	P	O	V	E	R
A	P	I	E	C	E		V	E	R	O	N	E	S	E
M	A	P	L	E	S		P	R	O	P	E	R	T	Y



Puzzle by Stephanie Spadaccini

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INTERNATIONAL

Central Europeans Hold Their Breath

U.S. Wooing of Russia Will Weaken Them, NATO Hopefuls Fret

By William Drozdiak
Washington Post Service

BERLIN — As President Bill Clinton prepares to discuss NATO expansion with President Boris Yeltsin of Russia, senior officials from Poland and other Central European states say they are fearful their own security interests could be jeopardized by the quest for compromise between Washington and Moscow.

"The smell of Yalta is always with us," said Andrzej Karkoszka, Poland's deputy defense minister, referring to the meeting after World War II when the anti-Nazi powers divided Europe into rival spheres of influence that lasted half a century.

With Poland, Hungary and the Czech Republic anxiously awaiting invitations to join the North Atlantic Treaty Organization this summer, the United States and its partners are striving to soften Russia's antagonism by offering a permanent consultative link with NATO and limits on the deployment of allied troops and nuclear weapons near its border.

The Central European candidates say they endorse NATO's attempt to build a more cooperative relationship with the Russians, but they are still worried that the ultimate price will be a reduced security status that would constitute a kind of second-class membership in the alliance.

"We fully understand the sensitivity of the West not to humiliate a wounded and defeated Russia," said the Polish foreign minister, Dariusz Rosati. "But what we do not understand is this curious willingness to accommodate unjustified desires on the Russian side."

Mr. Rosati said Poland was particularly alarmed by the prospect that NATO and Russia could reach agreement on the creation of a consultative forum that could take effect as early as this year, even though the new members would have to complete entry negotiations and await ratification by NATO parliaments. The process is expected to last until 1999, at least.

Mr. Rosati and other government officials in Central Europe said that the hiatus would give Moscow an opportunity to obstruct or postpone their incorporation into the alliance by invoking its rights to consultation at every turn.

Although NATO insists that Russia will have only a voice and not a veto, the Central Europeans fear that Moscow could quickly tie the alliance's bureaucracy in knots.

Mr. Karkoszka, the deputy defense minister, said Poland was comfortable with NATO's recent declarations that it anticipates no need — now or in the future — to deploy nuclear weapons or large numbers of foreign troops on the territory of new members.

But he said that Poland or any other new member could not tolerate Russia's further demand that the West must avoid moving any military equipment or infrastructure to the east that would enhance the fighting capability of former Warsaw Pact members.

Mr. Karkoszka said the establishment of modern command headquarters, air bases and air defense systems that match NATO standards and allow armed forces of new members to operate and communicate within the alliance's integrated military command was indispensable to maintaining the equal security for all member states that NATO is pledged to uphold.

"We do not need heavy deployments of foreign troops," Mr. Karkoszka said. "A few hundred soldiers to help run command headquarters would be enough, if only because it is psychologically important. But we must have NATO-quality infrastructure because that is absolutely necessary under Article Five." That article, a key clause in the alliance's founding treaty, commits NATO states to treat an attack on one member as an attack against them all.

These anxieties were backed by a former U.S. secretary of state, Henry Kissinger, and a former national security adviser, Zbigniew Brzezinski, who led a conference here on the region's geopolitical destiny that was sponsored by the Center for Strategic and International Studies and the Aspen Institute.

"The boundary between accommodation and appeasement is a very fine line," Mr. Brzezinski said. "There are good reasons to be worried by NATO negotiating over the heads of others about Russia's concerns."

Mr. Kissinger asked: "Whoever heard of a military alliance begging with a weakened adversary?"

■ New Concession for Moscow

In a significant concession to Russian concerns about NATO expansion, the alliance has declared that it has no intention of adding to its ground combat strength, The New York Times reported from Paris .

"This offers a positive and, we hope, acceptable olive branch," a NATO official in Brussels said Friday.

Expansion, its advocates say, has the goal of creating an atmosphere of security and stability in a part of Europe where fear and ethnic tension have often led to war. Greater stability in Central Europe, the advocates say, should reassure Moscow, not threaten it.

But President Yeltsin and Prime Minister Victor Chernomyrdin of Russia contend that NATO expansion would be humiliating and play into the hands of the nationalist opposition at home, and Moscow has been trying to squeeze as many concessions out of the Atlantic alliance as it can before bowing to the inevitable.

Mousaa/Reuters

BALLOONING MOVEMENT — French doctors holding balloons aloft with drawings of the caduceus demonstrating with other hospital workers in Paris on Sunday against planned budget reductions.

Europe and Asia, Too: 'They All Do It'

By Craig R. Whitney
New York Times Service

PARIS — The American system of regulating campaign and party finances, to plagiarize Winston Churchill, is probably the worst of any big industrial democracy's, except for all the others.

Nothing the Democratic Party ever dreamed of doing in the 1996 campaign seems to have come close to the things virtually every party in Italy, Japan and France was doing for years before the late 1980s, when people finally said they'd had enough and demanded change, much as Americans did after Watergate.

The repercussions are still being felt in Italy, where the parties that ran governments for 50 years were so completely discredited that they collapsed, and in Japan, where the dominant party is staggering. In France, the widespread corruption of mainstream parties is one reason for the rise of the far-right National Front.

Money and political power are inevitably attracted to each other, and until recently Europeans seemed more willing than Americans to accept this idea cynically. But this is changing.

As American voters have become more blasé about events like the current scandals in Washington, Europeans have been moving closer to the American sense that laws and regulations are needed to keep things from going out of control.

In fact, any idea being suggested in America for regulating spending and donations has probably already been tried in Europe, where campaigns don't cost anywhere near as much. The surprise is that money still seems to corrupt politics even more here than it does in the United States.

One problem is that the spirit behind such laws is as important as the letter. What's wrong, the weekly Moscow News asked last week, with President Bill Clinton inviting big donors to spend a night in the Lincoln bedroom at Democratic Party expense, compared to the hunting expeditions, sauna parties and flights on Kremlin planes that President Boris Yeltsin treats his supporters to at the Russian taxpayers' expense?

"There is a receipt, a bill, a memo, after every step you take in the United States," the newspaper's New York correspondent, Dmitri Radishevski, reported. "The Americans don't tempt other people by trusting in their moral fiber. Even in the White House, every coffee cup with a donor is put down in a memo."

Not so in Russia, where candidates in last year's presidential elections could legally spend no more than the ruble equivalent of $2,887,500. Mr. Yeltsin's campaign reported spending $2,884,357, but two top campaign consultants were caught trying to take a cardboard box with $500,000 in cash out of the Russian government headquarters. So few really believe the official disclosures.

Cynicism, the worst enemy of democracy, can be strengthened by regulations that seem to fly in the face of reality. Members of the U. S. Congress need a lot more money than European legislators do, mostly because of the cost of television and the need to campaign almost continuously in far-flung districts.

In Europe and Japan, candidates get campaigning time free on state-run television, and the official campaigns — the time for rallies, television ads and the like — are limited in duration. In Britain, they last only about three weeks; if Prime Minister John Major calls the next election there for May 1, as expected, he will not dissolve parliament until early April.

British laws on campaign financing are mostly unwritten, like the British Constitution, and Mr. Major's Conservatives have always said that how they raise money, and from whom, is none of the public's business.

The public seems to agree.

Where there is no law, there is no crime, and until the late 1980s, France had no campaign finance law. So parties and politicians raised most of their money by almost openly shaking down contractors who did business with the municipalities the parties controlled.

The shakedowns ranged between 1 percent and 7 percent of the value of the contracts, according to Thierry Jean-Pierre, one of the crusading French investigating magistrates who finally broke up the system by prosecuting officials for extortion and corruption after businesses complained that the squeeze had become too much to bear.

To try to clean things up, the French followed Germany's lead and passed laws that make taxpayers foot some campaign bills. French parties and candidates are now barred from soliciting companies for campaign funds and can ask individuals for no more than about $5,300.

Foreign governments, but not foreign individuals, are barred from contributing, and there are limits on how much candidates may spend in the 12 months before an election.

Candidates for the national legislature are now limited to about $62,000, with the state paying up to half of that.

The state also finances the major political parties to the tune of about $100 million a year — about what they had been taking in through shakedowns in the 1980s, according to Judge Jean-Pierre.

But French law still has loopholes; it doesn't spell out exactly what campaign expenses are, and the parties don't have to account for the public money they get.

Germany, like the United States, has long struggled with ways to allow individuals and companies to contribute.

The courts, for example, have found most efforts to control contributions unconstitutional. In addition, in the 1980s, prosecutors uncovered a vast network of illegal corporate payments to the three major parties through tax-deductible donations to "charities" set up for the purpose.

Such scandals have helped change the German political landscape by contributing to the rise of the Green Party, which claims to be cleaner than the rest. Today, all parties are partly financed by public money, distributed according to a formula based on the number of votes they receive.

German companies can donate what they want but can deduct none of it, and the parties must disclose the donors.

Germany's troubles pale next to those of Italy, where prosecutors have been picking at the web of corruption that tied all the established parties to business, and even to organized crime, for most of the half-century after World War II.

INTERNATIONAL

Rebel Leader Seizes the Moment

By Stephen Buckley
Washington Post Service



Jean-Marc Bouju/The Associated Press
A marcher in Bukavu, Zaire, celebrating Kisangani's fall to the rebels.

UVIRA, Zaire — Since insurgents directed by Laurent Kabila began seizing much of eastern Zaire five months ago, the rebel leader has tried diligently to craft an image of himself as a statesman-diplomat who does not crave power but is fighting for the rejuvenation of this poverty-wracked, corruption-weary central African nation.

A self-described "soldier-politician," Mr. Kabila, 56, has spent most of his adult life as an obscure professional guerrilla who has made deposing Mobutu Sese Seko — Zaire's leader since 1965 — his main cause.

"He has changed, and perceptions of him have changed," said Roger Winter, executive director of the U.S. Committee for Refugees, who spent a week with Mr. Kabila in January.

Since the mid-1960s, Mr. Kabila has led the People's Revolutionary Party, which until the past few months espoused a Marxist ideology.

He shuttled around the continent, spending time in Tanzania, Mozambique and Uganda. He also ran an enclave near Uvira, where, one Zairian scholar wrote, "he had for all practical purposes become a typical African warlord rather than a revolutionary guerrilla leader."

He re-emerged in October as the leader of a coalition called the Alliance of Democratic Forces for the Liberation of Congo-Zaire. He preached free-market economics and an end to the corruption that has fractured this sprawling nation of 46 million people.

At first, he drew guarded responses, especially among his compatriots. But that has changed in recent weeks. Opposition lawmakers have visited him in Goma with increasing openness, and some factions — such as university students in Kinshasa — have embraced him after initially scoffing at his message and movement.

Tens of thousands of teenagers and young adults have joined his movement. And crowds have generally greeted him with enthusiasm.

Courting the international media has been crucial to his success. Early on, he appeared uncomfortable with reporters. He chuckled nervously during interviews and sometimes refused to use English, which he speaks fluently.

But he has become media-savvy. He beckons reporters to follow him on his travels throughout eastern Zaire. He takes their home telephone numbers. He holds news conferences almost daily. He provides security through territory the rebels hold.

Mr. Kabila has won over diplomats by shunning extremist statements and hasty acts that could alienate potential allies in the West. Though the United States was a staunch ally of the anti-Communist Marshal Mobutu throughout the Cold War, it has since distanced itself from his corrupt regime, and U.S. officials in central Africa have met with Mr. Kabila several times.

For example, at the request of the United Nations and the United States, Mr. Kabila refused for weeks to attack the Tingi-Tingi camp in eastern Zaire, populated mostly by refugees who fled Rwanda after Hutu extremists massacred a half-million Tutsi and moderate Hutu in 1994. The mostly Tutsi rebels did overrun the camp about two weeks ago, but Mr. Kabila said he continued to offer a corridor for the refugees to return home to Rwanda.

But aid workers and the Zairian government contend that the rebels have been executing former Rwandan soldiers and militiamen among the refugees.

Mr. Kabila also has restrained his anti-Mobutu rhetoric. He has said he would not imprison the ailing president, saying: "Mobutu does not have to fear for his safety. Let him come back home."

And he contends that he does not want to replace the president, who has spent much of the conflict in France, recovering from treatments for prostate cancer. He says he wants Marshal Mobutu's government to negotiate an agreement with the rebels that would lead to a transitional government and elections.

"He has positioned himself as very moderate," said Andre Kapanga, chairman of the All North American Conference on Zaire, a group of Zairian intellectuals. "He doesn't say outrageous things."

But even some of Mr. Kabila's supporters express doubt that his self-effacing statements are genuine.

He has told some people that he would at least like to be deputy prime minister and minister of defense. His colleagues in the alliance call him "President Kabila" and he does not discourage them.

Some detractors deride him as an opportunist who saw a chance to rekindle revolutionary dreams last fall when the government threatened to expel Tutsi — known as the Banyamulenge — who have lived in eastern Zaire for 200 years.

The Banyamulenge are thought to make up the core of a rebel force estimated at 20,000 men. But they are outnumbered by Zairians from other ethnic groups, and Mr. Kabila himself is from the Luba group and grew up in southeastern Zaire's Shaba region.

Still, the rebels are seen as dominated by the Banyamulenge, a potentially movement-splitting perception in a country that includes about 200 ethnic groups.

In addition, Mr. Kabila rejects allegations that the rebels are a proxy force for Rwanda and Uganda. Diplomats contend that both countries have supplied equipment and logistical and strategic support to the alliance. Those governments deny the accusations.

"He has won a lot of support by consistently emphasizing that it's not enough for Mobutu to go. There has to be a change in the system," said Mr. Winter of the Committee for Refugees. "He has become a symbol of the possibility of fundamental change."

ZAIRE: *Rebels Sweep Ahead and Set Sights on the Capital*

Continued from Page 1

Government officials said elements of the 31st Paratroop Brigade, one of the country's best armed and trained units, abandoned the government cause and attacked a company of Serbian mercenaries who had been leading the defense of Kisangani.

The mercenaries, under fire, abandoned the international airport aboard helicopters, retreating to Marshal Mobutu's home village of Gbadolite, diplomats and government officials here said.

"It appears the rebels infiltrated the town through the jungle and starting shooting at the same time as the armored column was moving toward the airport," said a Western regional military expert.

"It looks like that was enough to panic the defenders pretty badly. And when the Zairian troops started shooting at them, the mercenaries flew out of there in a hurry."

Government troops who did not rally to the rebel side pillaged Kisangani before fleeing across the Zaire River and heading into the northern hinterlands, according to Western diplomats.

The fall of Kisangani represents the unraveling of the war strategy of the government, which relied upon Serb mercenaries and Hutu fighters from the former Rwandan Army to shore up it own woefully inadequate forces.

Even before this loss, rebels of the Alliance of Democratic Forces for the Liberation of Congo (Zaire) controlled over 30 percent of the nation's territory.

Few expect much further resistance by Marshal Mobutu's government, which faces the strong possibility of being forced to negotiate its dissolution or being swept away by a coup.

"Everyone is making new calculations about their future," a member of Marshal Mobutu's entourage said Saturday. "The old game is up. The next few days will show what the new game is all about."

The fall of Kisangani came on the same day that a special United Nations envoy to Zaire began talks with the leader of the rebellion, Mr. Kabila.

ECONOMY: *Bond Markets Shudder at Signs of Rate Increases*

Continued from Page 1

vestments Inc. in Chicago said he expected early action because of internal Fed politics. Fed chairmen eschew public shows of division within the board, he said, and with two vacancies waiting to be filled, Mr. Greenspan must act this month if he wants to avoid the risk of a divided vote at the subsequent Open Market Committee meeting in May.

In addition to the timing of the Fed's move, there is uncertainty about how much of a tightening the Fed will go for: a single jolt of 25 basis points or a series of moves culminating in an increase of 75 basis points by the end of the year.

In Europe, economic growth in Germany and France is poised for a substantial pick-up, spurred by the recent surge of the dollar lifting European exports and the lagged effects of a long period of easy monetary policy that has driven interest rates to modern-time lows.

Aside from the question of whether faster growth enhances the prospects for monetary union occurring as planned on Jan. 1, 1999, Paul Mortimer of Banque Paribas said it brought bad news for bond investors.

"As the upswing builds," he said, "the demand for money and loanable funds puts upward pressure on interest rates and fuels expectations of tighter future monetary policy."

Taken together, these uncertainties have the effect of reducing liquidity worldwide — the abundance of which has been driving markets higher.

"Unexpected interest rate pressures always represent the single greatest threat to liquidity-driven markets," said Stephen Roach of Morgan Stanley & Co.

It is still strikingly cheap to borrow yen at less than 1 percent or Swiss francs at a cost of less than 2 percent or even Deutsche marks at a cost of just over 3 percent to finance the purchase of short-term U.S., British, Italian, Australian or New Zealand paper — all of which yield more than 6 percent.

But the risk of capital losses on these investments, as U.S. or British interest rates rise or as the prospects for European monetary union ebb, has led to a substantial unwinding of such speculative positions.

Such moves by investors made it difficult for the dollar to make much headway last week and accounted for the across-the-board increase of the Swiss franc and the substantial strength of the Deutsche mark within Europe.

The hardest hit in the unwinding was the Swedish krona, down 2.7 percent against the Swiss franc and 2.2 percent against the mark. The Swedish market also suffered the worst performance last week, with yields on government paper rising 51 basis points on five-year notes and rising 22 basis points for 10-year paper.

The Italian bond market also sold off sharply.

All across the spectrum, whether measured by category of risk or length of maturity, bond prices retreated and spreads over benchmark rates widened.

"The appetite for risk is moderating," said Avinash Persaud of J.P. Morgan & Co. The move to a more defensive strategy, he added, is characterized by "a reduction in the size of positions, a cut in duration — shorter maturities — and a preference for the 'core' European markets instead of the higher-yielding periphery markets."

The aversion to risk was unfortunate for Russia, which last week offered seven-year notes worth 2 billion DM ($1.17 billion) that were priced to yield 370 basis points over comparably dated German government paper. Presale speculation had called for a spread of about 350 basis points, not far from the spread of 345 basis points Moscow paid in November for its maiden dollar offering of five-year notes.

Even so, the seven-year notes were moving slowly, and by week's end the spread had grown to 374 basis points.

U.S. Copters Kept Busy In Albania

Marines Land at Port To Lift Out Foreigners

Reuters

GOLEM BEACH, Albania — U.S. Marines stormed out of helicopters onto Golem Beach, south of Durres, on Sunday to rescue American, Turkish and Italian citizens from the chaos of Albania.

The Marines' helicopters kicked up blizzards of stinging sand as they landed and they used rifle butts to repel Albanians trying to board the aircraft and escape.

"I tried to get on the helicopter but a soldier hit me in the face with his gun," said 50-year-old Ymer Motroku, his face streaked with blood from a cut above his nose. At least one Marine was also cut in the face in the melee.

Two helicopters lifted an unknown number of foreign nationals to safety on ships standing by in the Adriatic in the early afternoon.

At least five other helicopters circled the beach during the evacuation.

Shortly after the helicopters lifted off the beach, which lies about 10 kilometers (6 miles) south of Albania's largest port, a small skiff carrying about 20 refugees capsized near shore.

Several people came close to drowning and had to be saved by men who swam out through the breakers.

A second pair of helicopters then returned to the beach, and a U.S. Marine said they had come for any people bearing Turkish, Italian or U.S. passports.

None of the hundreds of people still gathered had such documents, and the Marines waited for about an hour.

The combat-ready company of carried automatic rifles, anti-tank weapons, night-vision goggles and so much ammunition that many staggered through the sand to their positions.

Some of the Marines were deployed alongside mushroom-shaped concrete bunkers that were built in the tens of thousands by Albania's former Communist dictator, Enver Hoxha, to protect his country, the poorest in Europe, from invasion.

The problem Sunday was not that foreigners wanted to get in but that virtually everyone, Albanians included, wanted to get out.

■ Tirana's Streets Quiet

Jane Perlez of The New York Times reported earlier from Tirana:

The streets of the Albanian capital were quiet Sunday as the wild gunfire that erupted three days earlier subsided and militiamen armed by the authorities patrolled the city.

A defiant President Sali Berisha issued a statement saying that he would not resign before parliamentary elections to be held before June and would step down only if his party lost in the voting.

The rest of the country remained out of government control, with wide sections of infrastructure destroyed by looters and armed gangs.

More than 800 refugees who took off from the lawless southern town of Vlore on the Adriatic were rescued Sunday from a rusty navy boat that ran aground near the end of their voyage to the Italian port of Brindisi.

The exhausted refugees, plucked from heavy seas, included a woman who was about to give birth, a 10-day-old baby and dozens of young children.

Italian port officials said the refugees had commandeered a boat that was so crowded that men were perched atop the communications mast. "They were piled one on top of each other," said the Brindisi port commander, Giovanni Biso.

Three fishing boats packed with 317 refugees berthed at the Italian port of Bari on Saturday night, adding to the fear among Italian officials that a huge exodus of Albanians, reminiscent of the tens of thousands who turned up in 1991 after the fall of communism, might be underway.

In Durres, uniformed policemen who had been cajoled back to work with a promise of dramatic pay increases, shot over the heads of more than 1,000 bedraggled-looking people who were attempting to surge onto a dock and command a boat that could take them to Italy.

Some of those repulsed from the dock by gunfire said they had spent four days waiting for a boat that never came.

Those trying to escape said that they feared continuing anarchy in Albania.

BRIEFLY

Accused Activist Back in Cape Town

CAPE TOWN — The disgraced anti-apartheid cleric Allan Boesak got a hero's welcome when he arrived home in South Africa on Sunday to face charges that he enriched himself with foreign aid intended for charity.

Almost a thousand supporters, including Justice Minister Dullah Omar, turned out to greet Mr. Boesak when he arrived in Cape Town from California, where he has spent 18 months in self-imposed exile.

The crowd carried Mr. Boesak, who is of mixed race, from the airport lounge to a nearby stage, where the Dutch Reformed Church minister and veteran activist made a fiery speech in which he claimed that he was a victim of continuing racial prejudice.

The cleric, parading his wife and children and his elderly mother on the stage, was to hold private talks with Nelson Mandela, whose governing African National Congress says it is fully behind Mr. Boesak, despite the charges.

Mr. Boesak is alleged to have stolen at least a million rand ($439,000) from the Danish charity Danchurch while he was head of the Foundation for Peace and Justice, which is based in Cape Town. *(AFP)*

Algerian Military Kills 52 Militants

ALGIERS — Algerian security forces in recent days have killed at least 52 Islamic militants in what appears to be a concerted offensive against extremists prior to elections in June, newspapers reported Sunday.

At least four armed extremists were shot and killed during a weekend raid by the police on the capital's Casbah quarter, and 43 others were killed in Relizane, western Algeria, newspapers reported.

They added that five additional extremists had been killed in an unspecified location.

The daily El Watan said the crackdown in the maze-like ancient heart of Algiers was in retaliation for "an attack against three members of the security services."

A tip-off by residents led the police to the Casbah, where an exchange of fire between the police and the militants continued through the streets to the group's hideout, the reports said.

The newspaper Le Soir d'Algerie said a tip-off also led the police and army forces to the militants in western Algeria.

A 24-hour battle there resulted in the deaths Saturday of 43 men loyal to the region's extremist chief, Kada Benchiha. Several caches of automatic weapons and homemade bombs were discovered. *(AFP)*

El Salvador Leftists Optimistic on Vote

SAN SALVADOR — The leftist former rebels who laid aside their arms five years ago say they have a chance to take a major share of power in national elections Sunday.

Polls taken late last month showed the Farabundo Marti National Front leading the governing rightist Nationalist Republican Alliance and 11 other parties in congressional and municipal races. Results were not expected before Monday.

But with many voters still undecided, rightist parties said they will hold on to a majority in the 84-member National Assembly and win most of the other races in this country of 5.5 million. *(AP)*

Quake Rocks Japan

TOKYO — A fairly strong earthquake measuring 5.6 on the open-ended Richter scale rocked areas of central and western Japan Sunday, injuring two women, the meteorological agency and the police said.

The tremor, which occurred at 2:51 P.M., disrupted traffic, caused electricity cuts, and broke windows.

The epicenter of the quake was in the eastern part of the central prefecture of Aichi at a depth of 40 kilometers, the meteorological agency said. *(AFP)*

2 Parties Favoring Ruler Lead in Nigeria Exit Polls

Reuters

LAGOS — Exit polls published Sunday forecast victory in local elections for two parties that seek the Nigerian military ruler, General Sani Abacha, as their candidate for civilian presidential elections planned for next year.

Two newspapers, Thisday and Sunday Concord, said the United Nigeria Congress Party and the Democratic Party of Nigeria had topped the poll among the five registered parties.

The newspapers, based in the commercial capital, Lagos, said their forecasts had been based on a survey of voters by reporters nationwide during the voting Saturday. They gave no precise figures for how the parties would fare in the final tally of chairmen and councilors for 774 local authorities.

"The indications do not depart significantly from the spread of the parties," Thisday said.

The trend would be in line with the rating the National Electoral Commission gave when it registered the five in September, after the army lifted a ban on political parties. It said the Congress Party had the widest nationwide support, followed by the Democratic Party. Both are centrist and have roots in the predominantly Islamic north.

Early returns from Lagos state published by Thisday and another independent newspaper, Sunday Punch, indicated that the Congress Party had won in five of seven municipalities where an outcome had been decided.

Electoral authorities have yet to announce official results.

Many veteran politicians did not take part in the elections because the military did not register their parties.

Information Minister Walter Ofonagoro said the peaceful and enthusiastic voting had shown support for the plan to transfer power to civilians in 1998.

"It was quite orderly and smooth," a Western diplomat in Lagos said. "Even the police were unobtrusive."

Yeltsin Turns Up Heat

He Wants NATO Guarantees From Clinton

Washington Post Service

MOSCOW — President Boris Yeltsin, staking out a tough position for his summit meeting with President Bill Clinton this week, warned Sunday that he will insist on a legally binding guarantee protecting Moscow's security interests before the West expands the North Atlantic Treaty Organization into Central Europe.

The Russian president's remarks, in an interview with a Finnish newspaper, restated Moscow's long-standing position. NATO has rejected any legally binding treaty with Russia, suggesting a less formal political agreement could define the terms of their relations instead.

But the timing of the statement, and the fact that it came from Mr. Yeltsin himself, was a new reminder that the meeting now scheduled for Thursday and Friday in Helsinki may be the most contentious between the two powers in years.

Mr. Yeltsin, whose health seems to have improved substantially in recent weeks, had added to those expectations Friday, when he predicted that the Helsinki meeting "will be the hardest in all the history of Russian-American relations."

Without an iron-clad accord setting out the terms of NATO-Russian relations, the result could be "a slide toward a new confrontation, to an undermining of trust between Russia and Western countries," Mr. Yeltsin told the daily newspaper Helsingin Sanomat.

He added, however, that in a phone conversation with President Clinton not long ago, the American had said that "the United States is interested in compromise, and so am I."

RUSSIANS: *With Moscow Now Neither Friend Nor Foe of U.S., Clinton and Yeltsin Will Seek New Relationship*

Continued from Page 1

ican nightmare.

Just as important, perhaps, ordinary Russians took a certain pride in the fear they engendered. Fear meant respect, and the Soviet Union insisted that Washington treat Moscow not only as a superpower but as an equal.

It was a form of acceptance, however twisted, for a society that missed the Enlightenment and was never even considered a European country, let alone a European power, until the 18th century and Peter the Great.

But now the Russians, more than anyone else, are deeply conscious and resentful of their fall. The great payoff from the West that was supposed to come with their abandonment of Soviet communism has not materialized.

Capitalism has stoked no great industrial boom; foreign investment remains desultory, especially when compared with the money flowing to a still nominally Communist China; a vulgar, nouveau riche class of criminals and kleptocrats seems to dominate the still-feudal government; Eastern Europe is fleeing into the arms of NATO, the former enemy, and Russia, rather than being welcomed by the West as a partner, is still excluded.

A Russian official in Moscow said there was a growing feeling "that nothing we are doing is working the way it should, that nothing we do is ever quite enough, and that we may be a historically failed civilization."

The Russians see NATO enlargement as evidence of their decline, and of Washington's eagerness, despite soothing words of partnership, to take advantage of Russian weakness and change the map of Europe.

Peter Reddaway of George Washington University, who has analyzed polls by the All-Russian Center for Public Opinion and Market Research, says most Russians associate the chaos of their lives with an American plan to destroy the Soviet Union and turn Russia into a source of cheap natural resources for the West.

The Russian government isn't much more trusting. It clearly doesn't know how to react to the plan to enlarge NATO, with invitations in July to the first group of countries, probably Hungary, Poland and the Czech Republic, and NATO's parallel offer to Russia of a cooperative charter, regular consultation and new limits on conventional forces in Europe.

Mr. Primakov mixes talk of cooperation with bluster and threat in a time-tested fashion, trying to extract what concessions Russia can from the West before NATO enlarges in any event, while still holding on to all options: make a deal now, make a deal later or make no deal at all.

The decision, in the end, will be Mr. Yeltsin's, and it will depend a lot on what he thinks of "my friend Bill," as he calls the president — and what he thinks his friend Bill thinks of him.

"Russia was our enemy, and then the Russians were sold to us as our friends and partners," said Angela Stent of Georgetown University.

"But there has been a lot of disillusion on both sides. I suppose the Russians are 'ambivalent partners' — and the ambivalence is also felt on both sides."

Americans lament the messy transition in Russia despite significant (if sometimes misdirected) efforts at aid and advice. The replacement of a Communist elite by one of shady businessmen, corrupt bureaucrats and criminals isn't the way Washington imagined it.

Even Russia's advocates in the Clinton administration are reluctant to say that Russia has "made the leap successfully," said Ms. Stent. "The Russians are still in the middle, unpredictable and annoying."

Traditionally, the two schools of Soviet studies were the one that viewed Russia as inclined to totalitarianism, most notably led by Richard Pipes and Martin Malia, and the school that saw it evolving pluralistically, most identified with Stephen Cohen — and which saw Mikhail Gorbachev as a democratizing hero.

Michael McFaul, a Russian scholar at Stanford University, says both schools are still very much in session. The totalitarian school still has a negative reaction to Russia, "warning the world to keep its powder dry," Mr. McFaul said. The pluralist school also hates the new order and Mr. Yeltsin, because he betrayed Mr. Gorbachev and a tidier transition.

The Russians feel insufficiently appreciated for casting off communism and ending the threat of nuclear Armageddon. They are also resentful that Washington did not somehow freeze the world as it was in 1992, while they tried to reorder their society.

With NATO expansion and American plans for advanced new missile defenses under way, many Russians say they believe Washington is working to perpetuate Moscow's humbled status.

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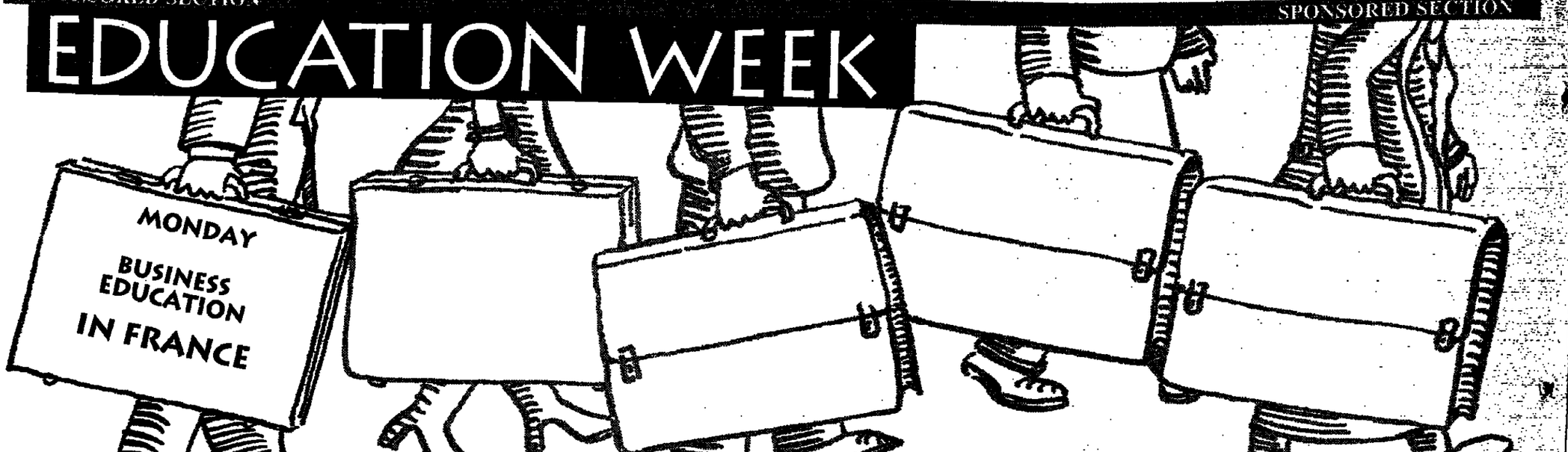
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EDUCATION WEEK

SPONSORED SECTION



AIMING AT A RAPIDLY MOVING TARGET

French business schools are striving to match the pace of change in today's business world.

France is playing a leading role in the move toward European union and in recent years has boosted its attractiveness to international investors and companies seeking a European location – attracting some 350 major foreign business investments in 1996. Yet within its borders, the country continues to be troubled by high levels of unemployment and business uncertainty.

How well and in what ways do French business schools help to prepare tomorrow's executives for the business challenges that face France at home and abroad? What are employers looking for in French business school graduates, and what are schools doing to meet these requirements?

"Because of the rapid pace of change in the business world and society at large, we have to carry out fundamental changes in the way French business schools are structured and how they operate," comments Patrick Molle, director general of ESC Lyon (the Lyon Graduate Business School). "For example, in our own case, we are carrying out important financial and intellectual investments in areas such as research, information technologies and entrepreneurship studies."

Bernard Ramanantsoa, director-general of Groupe HEC at Jouy-en-Josas near Paris, stresses the need for ever greater international emphasis in business teaching. "Around 20 of the students following our basic three-year degree course now spend part of this period studying in foreign universities in Europe, Asia and America, plus taking on corporate internships abroad," he says.

The French business school system, whose origins date back to the end of the last century, was developed initially to train managers for French companies operating in France, and until relatively recently there was little emphasis on international issues. "Generally speaking, French business schools and the types of degrees that they offer are still not very well known outside France," comments Jean-Pierre Boisivon, director-general of the ESSEC business school in the Paris-region new town of Cergy-Pointoise.

Finding a niche

"At the same time, we do not have the means to compete across the board with big international institutions like Harvard, London Business School and INSEAD. Accordingly, we are aiming at competitive advantage in niche areas," Mr. Boisivon explains.

Degree programs specializing in luxury goods, the hotel and restaurant sector, agribusiness and urban management provide examples. ESSEC is also seeking to export some of this specialized know-how by establishing similar courses with local partners in Budapest, Hungary and Salamanca, Spain.

"In common with other French business schools, we are currently faced with seemingly contradictory demands and trends, which are in fact complementary," says Georges Viala, director-general of ESC Bordeaux. "For instance, clients want us to be more rigorous academically, yet more pragmatic, to provide more ad hoc teaching, yet at the same time to award more degrees and to deliver customized courses that can also be standardized."

As a result, the school is developing in several different directions at once. "For instance, we are making greater use of program structures that combine team projects with individual instruction, and we are strengthening the application of techniques that permit students to alternate study periods at school with internships in businesses," says Mr. Viala.

"In addition, we are boosting the academic achievement level required of staff, investing in information technologies and widening the scope of our student-exchange programs to include Latin America and Asia," he adds. The school is also setting up new teaching institutes in cooperation with local partners in Vietnam and Beijing. These aim at both local and multinational corporate needs.

Adapting to new career trajectories

"Managers' careers and businesses themselves no longer progress on a straight linear basis the way they used to do," says Aïssa Dermouche, director-general of the Nantes business school (ESC Nantes) in western France. "To address the learning needs arising from this situation, we have replaced the old subject-matter teaching departments with a new structure based on areas of competence," he says. Key areas include human resources, entrepreneurship, organization, analysis, decision-making, markets, strategies and effectiveness.


HEC

Classes are increasingly being enhanced by business world experience, via internship, apprenticeship and company-mentor programs.

Public-private cooperation

French business schools – which are often linked to local chambers of commerce – operate under a different system from the country's public-sector universities. Traditionally, there was little cooperation between the two systems, even though a number of French universities such as Paris Dauphine run well-respected management programs. Partly because of economic pressures, this picture is now changing.

ESC Toulouse, for example, is examining ways to develop doctoral programs jointly with the university sector, and Nantes already operates a joint doctoral program with the university of Poitiers. The same pressures are also encouraging French schools to work more with one another and with foreign institutions in areas such as research and information technology.

HEC is launching a scheme with partner institutions in Denmark, the Netherlands, Italy, Austria and Spain aimed at pooling resources to carry out economics research and to prepare studies for corporate clients. "Another important trend is a move toward part-time courses and company-specific programs devised to answer the needs of individual companies," says Andres Atenza, director of ESC Toulouse. "For example, we have recently run management programs for the Crédit Agricole bank and the Dépêche du Midi newspaper," he adds.

Michael Rowe

LEARNING THE MANAGER'S CRAFT

Apprentices get paid work experience, and employers get breaks on social-security charges.

Apprenticeships, a traditional means of training entrants to the older professions and skilled crafts, have roots in the Middle Ages. Now French business schools are starting to investigate the benefits of applying similar techniques to management education, with programs that mix classroom learning and salaried work experience over a two-year period.

"We were the first school in France to use the apprenticeship formula in management education," says Alain Bernard, who supervises the apprenticeships programs at ESSEC, a business school near Paris. "Our scheme allows students either to split each week between classes and their employer or to spend longer periods – for instance, a whole term – with each." Employers taking apprentices from ESSEC include the Paribas and Société Générale banking groups.

ESC Grenoble in southeastern France launched an apprenticeship program three years ago, and it now boasts 70 apprentices out of the current year's class of 228. "We decided to take this action largely because we noted a growing demand from companies," says Grenoble's director-general, Thierry Grange. About half the apprentices who graduated from Grenoble last autumn stayed with the company to which they were apprenticed.

At ESC Chambéry in southeastern France, seven students are following a recently introduced apprenticeship scheme. The program includes a distance-learning option under which students can consult a data bank containing 3,000 items of management information.

ESC Lyon is conducting an apprenticeship scheme on a controlled-trial basis with around 20 students. "My belief is that most French schools will ultimately adopt apprenticeship as one option among others, but that it will remain a minority choice," says ESC Lyon's director-general, Patrick Molle.

Some schools remain skeptical. HEC, at Jouy-en-Josas, for example, has so far rejected the formula. Georges Viala, director-general of ESC Bordeaux, takes a similar line. "It may be possible in the Paris area, where there is the largest pool of companies to draw on, but it is much more difficult in other regions. There is also an issue as to whether management education should benefit from public funding for apprentices," he says.

Under French regulations, apprentices receive a salary of around 4,000-5,000 francs (approximately $700-$900) a month, and employers are exempted from most of the usual social security charges. "Companies may decide to employ management apprentices for different reasons. At one level, this may be a simple cost/benefit analysis," says Mr. Bernard. "In other cases, firms may wish to give a chance to students who would not otherwise have the financial means to follow a top management course."

Whether or not they apply the apprenticeship formula, most French business schools now offer corporate-internship options. For example, ESC Rouen has just revised its program so that second-year students can undertake both French and international internships. Alternatively, students can opt to spend a full year in a business between the second and third years of their course.

The ESC Marseille-Provence business school in the South of France runs an apprenticeship program together with more traditional internship formulas. "One option allows students to spend one day a week in a business during the first and second years of the course. During their second year, they are expected to help first-year students starting work in the same business," indicates Jean-Pierre Daloz, director of the Marseille-Provence school.

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EDUCATION WEEK

MONDAY

BUSINESS EDUCATION IN FRANCE

A Broad Market: Specialized MBAs

Most French MBA programs are general management courses designed to train executives, who can get the whole picture of the various functions that drive their firms in today's globally competitive environment. To meet the demands of certain industries, however, some schools are developing MBAs with specializations. Elective classes focused on the area of specialization are usually taken in the second part of the degree course, once the required, or core, subjects are out of the way. Once offered mostly in traditional, on-campus MBA programs, specialization is reaching into other markets, like short-term executive education and customized in-company seminars.

Selling an image

Three years ago, when considering a move into the market for full-time MBA programs, the ESSEC Graduate School of Management decided right away to run a specialized course. Adding another "regular" degree to the hundreds available would do nothing for its international visibility, the school felt.

Though ESSEC is well-known in France, its French-language – and francocentric – *grande école* curriculum effectively kept non-Gauls out. The private school, located in the Paris suburb of Cergy-Pontoise, wanted an English-language global degree to draw foreign students.

A little research revealed a market niche. In 1994, luxury companies were finding it hard to lure managers who met the industry's executive profile: people with down-to-earth sales savvy, plus the ability to communicate the "luxury" side to goods, which, as the industry sees it, is often abstract and based on image. Luxury-goods managers need to be able to sell items that may be more symbolic than functional. Not an easy message for your average consumer, and different from selling soap.

Polling 30 top executives, ESSEC found that luxury firms, failing to find candidates, recruited from other industries. The method was not always satisfactory. "If you're from the mass-market sector, you might lack the special touch that makes you a good luxury-product manager," says Michel Gutsatz, the school's MBA program director. Thus was born ESSEC's MBA specializing in luxury-brands management. It was launched in the fall of 1995 with 17 students.

Mr. Gutsatz, who designed the course, took basic MBA requirements and added 60 percent new, industry-specific material: classes on luxury-goods marketing and law, counterfeiting, logos and trademarks, international distribution and licensing, and "managing creativity." All topics, he says, that would never be found in a garden-variety MBA program.

To round out students' appreciation of upscale goods, seminars on fashion and wine-tasting were thrown in, as were visits to nearby L'Oréal and Louis Vuitton factories.

Specialized MBA programs often offer a privileged relationship with one industry, which creates closer ties between students and companies. At ESSEC, each participant has a private executive from a major firm as a personal "mentor." Mentors meet with protégés a half-dozen times during the 11-month MBA program, advising on career decisions and dispensing business insights. Participants this year include CEOs from Christian Lacroix, Veuve Clicquot and Loewe, as well as directors from Valentino, Cartier and Ungaro.

Twelve of the 17 students in the first class have found jobs since graduating last November, and alumni of the program direct Louis Vuitton's Shanghai boutique and Moët-Chandon's Asia-Pacific office. This year's class has 20 students. The eventual target is 40, but the course will always remain "exclusive," ESSEC says.

Managing IT

With information technology, or IT, affecting every business sector from banking to the perfume trade, French business schools are now offering IT specializations. Education for the information age and a curriculum for 21st-century managers are on the menu at Theseus, where the MBA program highlights innovation, strategy, information and technology.

The school is located in Europe's largest scientific park, at Sophia-Antipolis, near Nice. Its founders introduced the degree in 1988 with a heavy dose of technical studies. But Theseus has since dropped the techno-MBA, kept the IT focus and broadened the scope. Instead of emphasizing hardware and systems, it now trains executives to manage IT – which is, after all, what companies want. The program teaches exploring the Internet and electronic commerce, but also the humanities, logic and communication skills. Even with the new syllabus, Theseus claims its MBA provides more IT courses than any other.



ESSEC

In specialized programs, students focus on the management skills demanded by a particular industry.

Students get personal computers, and assignments link them to cyberspace and to each other. A two-month consulting project has also shed its technical concentration and deals with market-strategy issues for high-tech firms. Recent projects have included an Intranet program for a Nordic telecoms manufacturer and outsourcing in Eastern Europe for a top computer maker.

INSEAD has also heard the call for IT training. Demand at the Fontainebleau campus is not limited to the MBA; the trend is also seen in executive education and tailored, in-company seminars.

Though INSEAD offers a general management MBA, students can take a growing number of IT electives. Two-month courses deal with IT for managers, IT and business strategy, multimedia and groupware, and IT in business process re-engineering. A new class in cyber-entrepreneurship will debut in May, examining business and service start-up opportunities on the Internet.

IT is becoming a basic management skill so quickly, in fact, that INSEAD may add a class to its required MBA courses. Chances of this are "very likely," says Albert Angehrn.

Mr. Angehrn directs a new Center for Advanced Learning Technologies (CALT), which offers MBA students research and project opportunities. One recent program sent three students to U.S cities, including Hollywood, to study the future of digital entertainment. Students are E-mailed news of the half-dozen yearly projects, which are equivalent to electives, and on average three are chosen to take part. Their research is recycled back into INSEAD's knowledge base, where it becomes fodder for future professorial publications.

Customized training

Many schools are narrowing the focus of their programs even further. Management development centers originate customized courses for specific companies.

A recent offering from ESC Lyon's Centre de Développement du Management, the school's ongoing-training arm, is a certificate program for engineers from France's Alcatel-Alsthom group. The center received its first 25 students in July 1996 and welcomes its second batch in March.

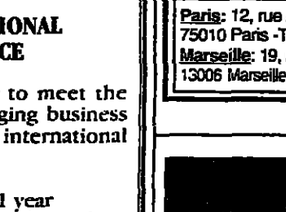
When companies link up with management-education institutions to conceive tailor-made courses, they get the best of both worlds: an outsider's vision and professional pedagogy built around the firm's own methods, strategic objectives and corporate culture.

This sort of training differs from classes open to the general public. Says Maurice Ballaz, who runs the center, "You're dealing with people who share common values. They've worked together. This means you need a minimum of knowledge about them. You have to learn their jargon, the technical side to their products and marketing aspects. It takes lots of preparation before you're ready to go in and teach."

The ESC Lyon-Alcatel course was written by both partners, who share teaching duties. The English-language program targets Alcatel's experienced (five to 10 years) international managers who head complex programs; they are people from worldwide subsidiaries with multicultural staffs and global customers. The goal is to give them a more complete vision of their, and their firm's, activities.

This is supplied in four weeks of core courses taught by ESC Lyon, followed by electives on narrower aspects of industrial marketing, personal development and other issues important to the firm. Instructors from top European institutions like the London Business School make guest teaching appearances. Participants work on several projects during the two-to-three-year program.

Companies are fond of this approach, which zeroes in on their message and trains their people the way they want. But made-to-order courses can lack elements normally found in traditional training, where the school oversees everything. For example, in-house seminars are more tightly concentrated on a single sector, such as telecoms in the case of the Alcatel program. This means that significant issues that are not directly related may be ignored. They likewise lack the mix of experience, companies and cultures that are probably the main draw of open business education. An international student body allows participants to measure themselves against others in class and gain insights on how things are done outside their own firms.



Aerospace

Future leaders in the aerospace industry have their pick of two courses, both in Toulouse, the heart of French space and aeronautics country.

ESC Toulouse will begin offering a new specialized master's degree in aviation transport beginning this fall. The program examines airline companies and related businesses in five areas: their role in the global economy, legal aspects, marketing and financial strategies, human resources management and future perspectives.

The program, which is to debut in October, combines general management training with focused instruction in the aviation sector and includes in-company projects. It is designed for executives in airline companies, aircraft-manufacturing firms and the tourist trade, and seeks to build a class of non-technical managers in these industries.

The one-year program consists of six months of classes (October-March), plus a five-month company internship. Students have another month to write a thesis. Teaching (in French) is delivered in 13 modules, each lasting one to two weeks and treating a single subject, such as European civil aviation or financial management of airline firms. Instruction is handled by professors and professionals from firms like Air France and AOM.

Dominique Bonnet, director of the new program, says that not all students will follow the degree course, since participants are free to take one module at a time. French applicants will need a *baccalauréat*, the French secondary-school diploma, plus five years' further study; non-French candidates should have equivalent diplomas.

A program for professionals only is available at ECATA (European Consortium for Advanced Training in Aerospace). Though not an MBA, it aims to provide engineers with experience in managing multinational projects and in other areas outside the scientific spheres of the business in which they normally operate.

Created by industry professionals for their peers, the course has a precise raison d'être: facilitate future growth and European competitiveness by training technicians with skills in cross-border projects and team management.

"It's an observatory for European needs, then a training center for engineers once those needs have been identified," explains Alain Lacombe, ECATA's administrator.

The founding partners include European aerospace schools and firms: Cranfield University in Britain; the Department of Aerospace Engineering at the University of Pisa in Italy; France's Ecole Nationale Supérieure de l'Aéronautique et de l'Espace; Madrid Polytechnic University of Spain; technical universities in Delft, Munich and Stockholm; Aérospatiale and Dassault of France; Alenia of Italy; British Aerospace; Daimler-Benz Aerospace of Germany; and Saab of Sweden.

The partners saw the need for a concerted industry focus, since no single country can go it alone in space anymore. Teamwork, ECATA's originators decided, was essential to the sector's long-term health. The English-language program, which is offered yearly and has produced 120 graduates, is devoted to building cooperation, and it will focus on global alliances and mergers – the newest elements in a sector undergoing major change.

Students must be employed; most have two to three years' work experience. They study at Sup'Aéro in Toulouse, France's national graduate aeronautics and space school, which oversees the program, and travel to technical universities in Delft, Munich, Stockholm and Madrid. Participants (there are 20 in each class) alternate between on-campus sessions and periods back on the job.

Joshua Jampol

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OECD Says Gains in U.S. and European Stocks May Be 'Sustainable'

By Carl Gewirtz
International Herald Tribune

PARIS — In striking contrast to the warnings sounded by officials about the exuberance driving stock prices in the United States and Europe to record levels, a report by the Organization for Economic Cooperation and Development said this weekend that "the recent high levels in equity markets may prove sustainable."

Without referring to the public statement by the chairman of the Federal Reserve Board, Alan Greenspan, about "irrational exuberance" in financial markets or the repeated warnings from the Bank for International Settlements that investor euphoria appears to be blurring the assessment of risk, the March edition of the organization's Financial Market Trends said "fundamental structural changes" might have made equity markets "more efficient."

These changes include not only corporate restructurings in North America and Europe but also more active shareholder monitoring that is driving management to focus on producing solid return to investors.

"Many companies are responding to demands for shareholder value by cutting costs and discontinuing activities that cannot clear profit 'hurdles,' " the report said. "Other reflections of growing shareholder power are rising dividend payouts and/or share buybacks."

"Most equity markets in OECD countries are not obviously overvalued, as measured by price-earnings ratios, despite the run-up of share prices," the report added.

But the organization warned, "The current hubris in equity markets has its worrisome aspects."

The report specifically cited the erosion of "traditional equity premiums over fixed-income investments" and cautioned that demand for equities could outrun supply and thereby drive prices to unsustainable levels.

It also said the "limited experience" of those providing much of the money flowing into equities might expose stocks to a sharp sell-off as such investors "may be unaccustomed to the periodic corrections that characterize equity markets."

"Thus," the report said, "it will be important for both market participants and officials to be vigilant in view of the risk of speculative excesses."

The report attributed some of the increased demand for equities not only to the ongoing disinflation in OECD countries but also to the reduction in budget deficits that will reduce the supply of government bonds.

High-profile sell-offs of state-owned assets, it said, "may facilitate the necessary switch from investment in bonds to placements in equities." Such privatizations could amount to a record $100 billion this year, the report added, with an estimated $30 billion of that total coming from non-OECD countries.

The report forecast particularly high levels of privatization activity this year in Spain ($11.5 billion), Japan ($8.7 billion) and Australia ($7.1 billion).

Outside the grouping of industrialized nations, Brazil was likely to have the largest privatization program, the report said, with the partial sale of the mining conglomerate Companhia Vale do Rio Doce expected to be the country's largest single transaction.

The report noted that international placements of equities last year totaled a record $58 billion, against $41 billion in 1996, including not only privatizations but also initial public offerings by private companies as well as additional offerings by publicly traded companies.

Total financing on the international capital markets last year was $1.57 trillion, the report estimated. Bonds amounted to a record $711 billion, medium-term offerings $375 billion and syndicated loans $343 billion, with other vehicles making up the rest.

By nationality, the largest users of the market were in the United States ($405 billion), Germany ($178 billion) and Britain ($117 billion). Japanese borrowers, who raised $121 billion in 1995, accounted for only $85 billion in 1996.

■ Offshore Funds Worry Bankers

The world's financial system is seriously at risk from structural faults in the offshore banking system, a report Sunday quoted a Bank for International Settlements meeting as saying, Agence France-Presse reported from London.

The Sunday Business in London reported that it had seen the minutes from a recent top-level meeting of the body that monitors international banking at which senior bankers warned that legitimate structures faced immediate danger from the volume of "dirty money" — mostly from the drug trade — entering the system via offshore banking centers.

The weekly said that most of the 141 known offshore centers were either inadequately regulated or not regulated at all. The Offshore Banking Group, which has only 19 members, has BIS observer status, it noted.

David Smout, the Bank of England's representative at the meeting, had argued that banking links with unregulated or suspect offshore centers should be halted immediately, the report said, and representatives of the Bundesbank and the Bank of France had seconded the recommendation.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 14. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Belgian Franc					
177	Belgium	9	03/28/03	119.8700	7.5100
243	Belgium	7	04/29/99	106.2800	6.5900
British Pound					
203	IADB	7¼	12/31/02	100.2500	7.2300
212	Bayerische LB	6⅝	06/07/02	98.3750	6.9900
226	Westpac Bank	6¼	03/10/02	99.9000	6.2600
234	Brit Treas Stock	7	11/06/01	100.0000	7.0000
245	Abbey Natl TS	7⅝	12/30/02	100.8750	7.5600
Canadian Dollar					
250	Canada	6½	08/01/99	103.9050	6.2600
Danish Krone					
5	Denmark	8	03/15/06	110.4600	7.2400
20	Denmark	8	11/15/01	111.3700	7.1800
25	Denmark	7	11/10/24	96.8500	7.2300
27	Denmark	8	05/15/03	111.3000	7.1900
28	Denmark	9	11/15/00	113.40	7.9400
31	Denmark	9	11/15/98	107.8000	8.3500
36	Denmark	7	11/15/07	103.3500	6.7700
40	Denmark	6	12/10/99	103.6500	5.7900
48	Denmark	7	12/15/04	105.2000	6.6500
69	Real Kredit Den	6	10/01/26	89.5000	6.7000
87	Nykredit 3 Cs	6	10/01/26	89.4000	6.7100
93	Denmark	6	02/15/99	103.3000	5.8100
101	Denmark	7	08/15/97	101.0800	6.9300
118	Denmark	6	11/15/02	102.7000	5.8400
182	Denmark	4	02/15/00	99.1000	4.0400
204	Unikredit	6	10/01/26	89.4000	6.7100
228	Realkredit Dan	7	10/01/26	96.5500	7.2500
Deutsche Mark					
1	Germany	6	01/04/07	103.4157	5.8000
2	Germany	8	01/21/02	113.5800	7.0400
4	Germany	6¼	04/26/06	104.2350	6.0000
6	Germany	6⅞	05/12/05	109.5685	6.2700
7	Germany	6½	10/14/05	105.9700	6.1300
9	Germany	7⅜	01/03/05	111.9040	6.5900
10	Germany	8¼	09/20/01	115.0886	7.1700
12	Germany	5	08/20/01	101.7400	4.9100
13	Germany	6	01/05/06	102.5200	5.8500
16	Treuhand	7½	09/09/04	112.5400	6.6600
17	Germany	6¼	01/04/24	96.9150	6.4500
18	Germany	6	02/16/06	102.7091	5.8400
19	Treuhand	7⅛	12/02/02	111.4800	6.6200
22	Germany	3½	12/18/98	97.8390	3.5800
23	Treuhand	7⅛	01/29/03	110.2643	6.4600
24	Germany	4¾	11/20/01	100.6414	4.7200
29	Germany	8	07/22/02	114.2300	7.0000
30	Germany	9	10/20/00	115.1100	7.8200
32	Germany	3½	09/18/98	99.9200	3.5000
33	Germany	5¼	02/21/01	102.8700	5.1000
34	Treuhand	6⅝	07/09/03	107.6567	6.1500
35	Germany	5	05/21/01	102.6948	4.8700
37	Treuhand	7¾	10/01/02	113.1900	6.8500
38	Germany	6½	07/15/03	107.0500	6.0700
39	Germany	5⅛	11/21/00	102.5500	5.0000
44	Germany	8⅞	12/20/00	115.1933	7.7000
46	Treuhand	6⅝	05/13/04	108.1471	6.2400
47	Germany	8½	02/20/01	114.1125	7.4500
49	Germany	7	12/22/97	102.7200	6.8100
50	Germany	5⅞	05/15/00	104.9633	5.6000
51	Germany	5¾	08/22/00	104.5600	5.5000
53	Germany	6½	03/15/00	100.3703	6.4800
54	Germany	7	01/13/00	107.8500	6.4900
55	Germany	6¾	09/15/99	106.7900	6.3200
57	Treuhand	6⅜	07/01/99	105.4800	6.0400
58	Germany	7½	11/11/04	112.6856	6.6600
60	Germany	6¾	04/22/03	108.4933	6.2200
61	Germany	9	01/22/01	115.6967	7.7800
64	Germany	8¾	08/20/01	116.0800	7.5400
66	Treuhand	6	11/12/03	104.3625	5.7500
70	Treuhand	6⅛	03/26/98	102.7240	5.9600
71	Treuhand	6½	04/23/03	107.1100	6.0700
72	Treuhand	6⅞	06/11/03	108.9900	6.3100
74	Germany	7⅛	12/20/02	110.7050	6.4400
75	Treuhand	6¼	03/04/04	105.4500	5.9300
76	Germany	6	06/20/16	96.5971	6.2100
77	Germany	8⅜	05/21/01	114.2300	7.3300
79	Germany	8	09/22/97	102.3300	7.8200
81	Treuhand	6¼	07/29/99	105.3900	5.9300
84	Germany	6¾	07/15/04	108.3650	6.2300
86	Germany	6	02/20/98	102.3400	5.8600
89	Germany	6	09/15/03	104.8233	5.7200
91	Germany	7¼	10/21/02	110.9400	6.5400
94	Germany	5⅜	02/22/99	103.2297	5.2100
96	Germany	8½	08/21/00	113.1133	7.5100
97	Treuhand	5¾	04/29/99	104.0500	5.5300
98	Germany	6⅛	05/20/99	104.8900	5.8400
102	Germany	6⅝	05/20/98	103.3500	6.1700
106	Germany	8¼	07/21/97	101.6425	8.1200
107	Germany	8¾	07/20/00	113.6900	7.7000
111	Germany	6½	01/02/99	104.7883	6.2000
113	Germany	5¾	08/20/98	101.0699	5.6900
115	Germany	6⅞	02/24/99	105.8400	6.5000
116	Treuhand	5	01/14/99	102.3100	4.8900
117	Treuhand	5	12/17/98	102.2300	4.8900
119	Treuhand	6⅛	06/25/98	103.2300	5.9300
121	Germany	7¼	02/21/00	109.9400	7.0500
123	Treuhand	5⅝	09/24/98	102.9600	5.4600
125	KFW	5½	03/12/07	97.4500	5.6400
126	Siemens Coord	5½	03/12/07	98.0000	5.6100
127	Treuhand	7	11/25/99	107.6367	6.5000
128	Germany	8¾	05/22/00	113.3300	7.7200
130	Germany	5¼	02/25/98	101.7033	5.1600
138	Germany	6⅞	12/02/98	105.2400	6.5300
143	EIB	6	10/22/03	104.6289	5.7300
146	Germany	7½	10/20/97	102.3800	7.3300
148	Germany Tbills	zero	04/18/97	99.7338	2.7400
154	Germany	5¼	11/20/97	101.2600	5.1800
155	Cap Credit Card	5⅝	08/15/01	103.1132	5.4600
162	Germany	8	03/20/97	100.0725	7.9900
167	Germany	6⅛	01/20/98	102.4500	6.2200
176	Germany	5¾	05/28/99	104.1100	5.5200
191	Mexico	8⅛	09/10/04	104.3500	7.7900
198	Germany	6¼	02/20/98	102.5700	6.0900
201	Germany Tbills	zero	07/18/97	98.9180	3.1300
202	Dsl Fin	4½	12/28/01	101.0000	4.4600
207	Germany	6⅛	08/14/98	103.8200	6.1400
208	Germany	7¼	01/20/00	108.5100	6.6800
211	Germany	6⅝	01/20/98	102.6500	6.4500
214	Germany	7	04/20/99	106.5400	6.5700
218	Bayer Vereinsbk	6	03/12/07	99.4300	6.0300
220	Germany	5¼	10/20/98	102.5500	5.1200
222	Suedwest LB		09/12/05	100.0000	
240	Germany	6⅛	03/20/98	102.6900	5.9600
241	German States	6½	08/21/06	103.0900	6.0600
242	Germany	7¼	10/20/97	102.2400	7.0900
244	Germany	2.9953	09/30/04	99.2000	3.0200
249	Bo Credit Card	6	11/15/05	102.8800	5.8300
Dutch Guilder					
42	Netherlands	5¾	02/15/07	101.2000	5.6800
43	Netherlands	6¼	07/15/98	103.4100	6.0400
83	Netherlands	6	01/15/06	103.4500	5.8000
85	Netherlands	7½	01/15/23	115.1000	6.5200
95	Netherlands	8½	03/15/01	114.3000	7.4400
105	Netherlands	9	01/15/01	115.70	7.7800
136	Netherlands	6¾	11/15/05	108.5000	6.2200
145	Netherlands	7½	06/15/99	107.7000	6.9600
147	Netherlands	7	06/15/05	110.3000	6.3500
150	Netherlands	8¾	09/15/01	116.3500	7.5200
157	Netherlands	5¾	09/15/02	103.9500	5.5300
160	Netherlands	5¾	01/15/04	103.1300	5.5800
166	Netherlands	8¼	02/15/02	115.1000	7.1700
171	Netherlands	8½	06/01/06	120.9500	7.0300
175	Netherlands	8¼	06/15/02	115.6000	7.1400
180	Netherlands	7	03/15/99	106.0500	6.6000
181	Netherlands	7½	04/15/10	115.1500	6.5100
194	Siemens Fin	5½	03/12/07	100.3750	5.4800
196	Netherlands	6¾	02/15/99	105.4000	6.4000
197	Netherlands	7⅝	11/15/99	108.7000	6.9000
199	Netherlands	6½	04/15/03	107.5000	6.0500
209	Netherlands	8¼	09/15/07	120.3000	6.8600
213	Netherlands	6¾	10/01/98	104.5500	6.4600
225	Netherlands	6½	07/15/98	103.7000	6.2700
237	Netherlands	7¾	03/01/05	115.0500	6.7400
246	Netherlands	7	02/15/03	110.1000	6.3600
ECU					
92	France OAT	7	04/25/06	109.8000	6.3800
99	France OAT	6	04/25/04	101.6000	5.9100
131	France OAT	7½	04/25/05	110.4600	6.7900
141	France OAT	5½	04/25/07	95.4100	5.7600
161	France OAT	8½	03/15/02	113.2200	7.5100
165	France B.T.A.N.	6	03/16/01	103.7900	5.7800
169	UK T-note	5	01/26/99	100.9715	4.9500
179	France OAT	8¼	04/25/22	117½	7.0200
210	France OAT	9½	04/25/00	112.6600	8.4300
221	Britain	9⅛	02/21/01	116.1500	7.8600
229	France OAT	6¾	04/25/02	106.5500	6.3400
230	France OAT	10	02/26/01	117.5100	8.5100
Finnish Markka					
232	Finland Serial s	7¼	04/18/06	109.4850	6.6200
French Franc					
104	France OAT	6¾	10/25/03	109.3500	6.1700
178	France OAT	6½	10/25/06	107.1100	6.0700
184	France BTAN	4¾	04/12/99	101.8800	4.6600
189	France OAT	7¾	10/25/05	115.7600	6.6900
219	France OAT	8½	10/25/08	123.4500	6.8900
Italian Lira					
159	Italy	10½	04/01/05	115.0200	9.1300
170	Italy	9½	02/01/01	107.3200	8.8500
185	Italy	7¾	11/01/06	101.4000	7.6400
227	Italy	10½	09/01/05	116.0600	9.0500
Japanese Yen					
186	World Bank	4¾	12/20/04	116.5793	4.0700
188	Daiwa Building	2	04/16/02	99.8923	2.0000
Spanish Peseta					
206	Spain	8.8000	04/30/06	112.4760	7.8200
Swedish Krona					
73	Sweden	11	01/21/99	110.6880	9.9400
122	Sweden 1036	10¼	05/05/00	114.0182	8.9900
129	Sweden	5½	04/12/02	97.8180	5.6200
205	Sweden	10¼	05/05/03	119.9990	8.5400
U.S. Dollar					
3	Brazil Cap S.L	4½	04/15/14	80.1127	5.6200
8	Argentina FRNL	6⅝	03/29/05	86.7159	7.6400
11	Argentina par L	5¼	03/31/23	65.2188	8.0500
14	Venezuela S. DI	6½	12/18/07	87.2094	7.4533
15	Mexico	11½	05/15/26	106.7344	10.7700
21	Argentina	11⅜	01/30/17	104.4818	10.8900
26	Brazil L	6½	04/15/06	89.3750	7.2700
41	Brazil	6½	01/01/01	97.8750	6.6400
45	Venezuela par A	6¾	03/31/20	73.7500	9.1500
52	Mexico par A	6¼	12/31/19	73.6875	8.4800
56	IADB	6⅝	03/07/07	98.4965	6.7300
59	Brazil S.L	6⅝	04/15/12	78.7589	8.3300
62	Bulgaria	6⅝	07/28/11	61.1134	10.7400
63	Ecuador	6 7/16	02/28/15	64.0117	10.0568
65	Brazil S.ZI	6½	04/15/24	80.8438	8.0400
67	Brazil par ZI	5	04/15/24	63.7188	7.8500
68	Mexico	9⅞	01/15/07	103.9732	9.5000
78	Caisse A D Soc	6½	03/11/02	99.5896	6.5300
80	Mexico par B	6¼	12/31/19	73.6875	8.4800
82	Argentina	5⅜	04/01/01	125.5000	4.2829
88	KFW Intl Fin	6½	03/06/07	96.6870	6.7200
90	Peru Pdi	4	03/07/17	63.3125	6.3200
100	Bco Com Ext.	7¼	02/02/04	91.8750	7.8900
103	Bulgaria	6 9/16	07/28/24	63.1875	10.3900
108	Brazil Fed	8⅞	11/05/01	100.9019	8.8000
109	Ecuador	6 7/16	02/28/25	67.5000	9.5400
110	Peru Front Load	3¼	03/07/17	57.3125	5.6700
112	Brazil Cbond S.L	4½	04/15/14	86.8507	5.1800
114	Argentina L	6⅜	03/31/23	81.8750	7.7900
120	Mexico	11⅜	09/15/16	105.8750	10.7400
124	Poland	6½	10/27/24	98.0643	6.6300
132	Ecuador par	3¼	02/28/25	43.5000	7.4700
133	Poland	4	10/27/14	82.7008	4.8400
134	EIB	7⅛	09/18/06	101.5000	7.0200
135	British Gas	zero	11/04/21	15.2080	7.9400
137	Credit Local	6½	02/18/04	97.7500	6.6500
139	Venezuela S.A	6⅝	03/18/07	86.6300	7.6500
140	Venezuela par B	6¾	03/31/20	72.0750	9.3700
142	Panama pdi	4	07/17/16	76.2011	5.2500
144	Mexico D	6.3516	12/28/19	90.0646	7.0500
149	Brazil S.L	6 9/16	04/15/09	86.2500	7.6100
151	Argentina Pred	5⅜	09/01/02	110	4.8864
152	Mexico A	6.4531	12/31/19	89.5625	7.2100
153	Panama Interest	3½	07/17/14	76.8750	4.5500
156	Nigeria	6¼	11/15/20	67.0625	9.3200
158	Canada	6¾	08/28/06	99.4266	6.7900
163	World Bank	6⅝	08/21/06	98.6552	6.7200
164	Argentina	11	10/09/06	105.5000	10.4300
168	Mexico B	6⅛	12/31/19	90.0495	7.0800
172	Philippines Fix	8¾	10/07/16	99.5000	8.7900
173	Mexico	7⅝	08/06/01	100.9600	7.5500
174	Fin. Russ Min.	9¼	11/27/01	98.0000	9.4400
183	Mexico	9¾	02/06/01	104.2500	9.3500
187	Ontario	6⅛	06/28/00	99.1638	6.1800
190	Venezuela S.B	6⅝	03/31/07	87.6898	7.3400
192	Caisse A D Soc	5⅜	12/10/01	99.6600	5.3933
193	EIB	zero	11/06/26	12½	7.2600
195	World Bank	5.6800	09/27/99	98.3750	5.7700
200	Canada	6⅝	07/21/05	97.9638	6.5100
215	Ab Spint Swed	5.4766	02/20/98	99.9300	5.4800
216	Poland par	3	10/27/24	56.4375	5.3200
217	Ecuador Reg	6 7/16	02/28/15	64.7556	9.9412
223	Mexico C	6⅝	12/31/19	90.0915	7.0800
224	Sweden	5.3867	02/08/01	99.9400	5.3900
231	MBL Intl Fin	3	11/30/02	102.0000	2.9400
233	Ferrov Stat		07/06/09	116	7.8700
235	Coop Cent Raff	6	03/12/01	98.6250	6.0800
236	Tokyo Elec Pwr	7	02/13/07	99.5612	7.0300
238	Bulgaria	2¼	07/28/12	47.0000	4.7900
239	Brazil	6	09/15/13	70.7500	8.4800
247	Ontario	6	02/21/06	93.2500	6.4300
248	Abbey Natl TS	6	03/10/99	99.5917	6.0200

U.S. Rate Rise Could Spark Bond Rally

Bloomberg News

NEW YORK — In the U.S. bond market these days, there is no gain without pain.

Even as the latest price reports point to no acceleration in inflation, the Federal Reserve Board may raise interest rates soon just to be sure the economy does not grow too quickly.

Investors say yields could climb if the Fed moves. Still, many expect a rebound soon after because they are confident the central bank will keep inflation under control.

"Once clearer heads prevail," it's a buying opportunity, said Steve Vielhaber, a money manager at Bank of America in Los Angeles.

Consumer inflation was 3 percent through the 12 months ended in January, compared with 2.5 percent through January 1994.

Mr. Vielhaber, along with many other money managers, said that one or two increases of 25 basis points in the Fed's target rate for overnight loans between banks could be just what is needed to make sure prices do not start rising quickly. That could set the stage for a rally.

In the meantime, investors are taking their lumps. The yield on the benchmark 30-year bond touched a six-month high of 6.96 percent this week as signs of robust consumer demand and a tight labor market bolstered the argument for the Fed to apply the brakes to the economy. The yield was 6.94 percent Friday, up 13 basis points from a week ago.

U.S. CREDIT MARKETS

Investors took little comfort from a report Friday showing that producer prices unexpectedly fell 0.4 percent in February, the second decline in as many months. Excluding food and energy, prices fell 0.1 percent.

"The report doesn't change the fact that we have an economy that's expanding," said Steven Merrell, a manager at American Express Financial Corp. in Minneapolis. "At some point, the Fed will have to tighten."

Bonds may not get much more of a lift from this week's report on consumer prices, even though it is also expected to show inflation remains benign.

Traders were on guard after Fed Chairman Alan Greenspan said twice in the past month that the central bank might use a "preemptive strike" to slow the economy, before signs of faster inflation appear. The economy grew at a 3.9 percent annual pace in the fourth quarter, a clip that is not expected to slow on its own any time soon.

Although some investors are betting the Fed will begin raising rates when its policy board next meets on March 25, they were not anticipating the surge in yields that resulted when the Fed last began raising rates in February 1994.

Back then, the Fed's decision caught many investors by surprise, and the seven increases in the federal funds rate over a 12-month span drove Treasury bonds to their worst returns in a decade in 1994.

This time around, plenty of warnings from Mr. Greenspan have already driven bond yields higher in anticipation of a Fed move. In addition, with little evidence inflation is gathering speed, investors expect only minor changes in monetary policy.

"Greenspan said himself that 1997 isn't 1994," said Hugh Whelan of Aeltus Investment Management in Hartford, Connecticut.

New International Bond Issues

Compiled by Charlotte Sector

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Berjaya Group Capital	$100	2002	1.40	99.80	—	Over 3-month Libor. Reoffered at par. Noncallable. Fees 0.20%. Denominations $250,000. (Chase Manhattan Int'l.)
CNCP/ NKBK Int'l Finance	$125	2000	0.20	99.863	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations $10,000. (J.P. Morgan Securities.)
Korea Exchange Bank	$100	1998	0.225	99.945	—	Over 3-month Libor. Noncallable. Fees not disclosed. Denominations $10,000. (Chase Manhattan Int'l.)
WGZ Bank Ireland	DM500	2002	6¼	100.00	—	Over 3-month Libor. Noncallable. Fees 0.20%. (Lehman Brothers Int'l.)
Morgan Stanley Group	£200	2002	0.15	99.87	—	Over 3-month Libor. Callable at par from 1999. Fees 0.25%. Denominations £100,000. (Morgan Stanley Int'l.)
Royal Bank of Scotland	£150	perpt	½	99.39	—	Interest will be ½ over 3-month Libor until 2007, when issue is callable at par, thereafter 1½ over. Fees 0.50%. Denominations £100,000. (Barclays de Zoete Wedd.)
Merrill Lynch & Co.	ITL100,000	1999	0.05	100.00	—	Over 3-month Libor. Noncallable. Fungible with outstanding issue, raising total amount to 4 billion lire. Fees 0.10%. (Credito Italiano.)
Perez Companc	ITL300,000	2002	1.65	100.00	—	Over 3-month Libor. Reoffered at par. Noncallable. Fees 0.60%. (Chase Manhattan Int'l.)
Eurofima	SP20,000	2007	⅛	100.00	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Banco Central Hispano.)
Fixed-Coupons						
Belgium	$500	2002	6½	101.35	99.10	Reoffered at 99.725. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Ford Motor Credit Corp.	$200	2000	6⅜	100.815	99.324	Reoffered at 99.665. Noncallable. Fees 1⅜%. (UBS.)
Ongko Int'l Finance	$100	2004	10½	99.4642	—	Semiannually. Noncallable. Fees undisclosed. Denominations $100,000. (Bank of Boston.)
Toronto Dominion Bank	$200	2000	6½	101.275	99.758	Reoffered at 100.10. Noncallable. Fees 1⅜%. (Paribas Capital Markets.)
Bank Nederlandse Gemeenten	DM250	2001	4½	101.765	99.557	Reoffered at 99.84. Noncallable. Fees 2¼. (Rabobank.)
DSL Finance	DM500	2004	5¼	101.58	99.203	Reoffered at 99.63. Noncallable. Fees 2⅛%. (West LB.)
Hanil Bank	DM300	2000	4⅞	101.235	99.486	Reoffered at 99.66. Noncallable. Fees 1⅝%. (Bayerische Landesbank.)
Russia	DM2,000	2004	9	101¾	99.708	Reoffered at par. Noncallable. Fees 2¼%. (Credit Suisse.)
Care Homes No. 1	£100	2021	—	—	—	Issue split into two tranches: £60 million paying a semiannual 8% interest and issued at 99.42, and £40 million paying 8½% and issued at 98.94. Noncallable. Fees 0.625%. Denominations £10,000. (NatWest Capital Markets.)
North Avon Investments	£77.6	2026	8.12	100.00	—	Quarterly. Average life 24.2 years. Fees 0.75%. Denominations £100,000. (Daiwa Int'l.)
Scottish Hydro-Electric	£150	2007	7⅛	99.558	—	Noncallable. Fees 0.35%. (Dresdner Kleinwort Benson.)
Morgan Stanley Group	FF1,000	2003	5⅛	101.285	99.203	Reoffered at 99.76. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l).
Portugal	FF3,000	2007	5⅝	100.567	98.89	Reoffered at 98.892. Noncallable. Fees 2%. (Banque Nationale de Paris.)
Bayerische Vereinsbank	ITL200,000	2000	6.80	101.305	99.41	Noncallable. Fees 1⅞%. (Banca Nazionale del Lavoro.)
Credit Local de France	ITL100,000	2007	7⅛	97.805	—	Noncallable. Fungible with outstanding issue, raising total amount to 400 billion lire. Fees 2%. (Credito Italiano.)
Banque Int'le a Luxembourg	ECU150	2003	5½	101.70	99.294	Noncallable. Issue will be redenominated in euros after EMU, on a par basis. Fees 1⅝%. (Banque Int'le a Luxembourg.)
Compagnie Bancaire	ECU200	2004	5⅞	101.495	99.708	Reoffered at 99.97. Issue will be redenominated in euros after EMU, on a par basis. Fees 1⅞%. (Paribas Capital Markets.)
European Bank for Reconstruction and Development	SAR2,500	2017	zero	7.10	—	Yield 14.14%. Reoffered at 6.85. Noncallable. Proceeds 177 million rand. Fees 0.40%. (Toronto Dominion Bank.)
European Bank for Reconstruction and Development	SAR5,000	2027	zero	2.35	—	Yield 13.32%. Reoffered at 2.20. Noncallable. Proceeds 117 million rand. Fees 0.25%. (Toronto Dominion Bank.)
World Bank	SAR5,000	2022	zero	4.03	—	Yield 13.97%. Reoffered at 3.805. Noncallable. Proceeds 161 million rand. Fees 0.35%. (J.P. Morgan Securities.)
World Bank	SAR1,500	2017	zero	7.40	—	Yield 13.8%. Fungible with outstanding issue, raising total amount to 5 billion rand. Noncallable. Proceeds 206 million rand. Fees 0.50%. (Hambros Bank.)
Int'l Finance Corp.	PhP2,600	2002	10¼	open	—	Noncallable. Fees 0.60%. Price to be set. (Citicorp Int'l.)
World Bank	PhP3,000	2002	10¼	101.414	99.103	Reoffered at 100.04. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
Ontario	Y10,000	2007	3.2	100.075	—	Redemption at maturity in yen however payable annually in Australian dollars. Fees 0.325%. (Daiwa Europe.)
Equity-Linked						
First Pacific Capital	$350	2002	open	open	—	Coupon indicated at 2 to 2½%. Convertible at an expected 14 to 18% premium. Fees undisclosed. Terms to be set. (ING Barings.)

The Week Ahead: World Economic Calendar, March 17-21

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Sydney:** International Swaps and Derivatives Association holds its annual meeting. **Seoul:** LES International holds a symposium on the latest developments in intellectual property issues. Monday to Wednesday. Grand Hyatt Hotel.	**Helsinki:** Boris Yeltsin of Russia and U.S. President Bill Clinton hold a summit meeting. Wednesday and Thursday. **Frankfurt:** Wholesale prices for February may be released. M-3 money supply for February may be released.	**Washington:** International Monetary Fund sponsors the conference "EMU and the International Monetary System." Speakers include Michael Camdessus, managing director of IMF; and Paul Volcker, former chairman of the Federal Reserve Board. Monday and Tuesday.
Monday March 17	**Tokyo:** Data on the merchandise trade balance in Japan in February. Revisions to industrial production numbers in Japan in January. **Earnings expected:** CDL Hotels International, Shanghai Growth, MUI Hong Kong, ST Electronic.	**Brussels:** European finance ministers meet to discuss whether Germany and France are on target for planned single currency. **Earnings expected:** Anglo American Industrial, Electrabel, Enso Oy, House of Fraser, Pearson, Tractebel.	**Washington:** The emergency board appointed by President Bill Clinton releases its recommendations for ending the labor dispute between AMR Corp.'s American Airlines unit and its pilots. **New York:** Johnson Redbook re-
Tuesday March 18	**Tokyo:** Bank of Japan releases data on February money supply. Ministry of International Trade and Industry releases data on service industry sales in Japan in January. **Sydney:** Reserve Bank of Australia to issue January banking statistics.	**Oslo:** OECD releases report on the Norwegian economy. **Frankfurt:** Retail sales for January. **Helsinki:** Statistics Finland releases February producer prices.	search service releases weekly survey of total sales at more than 20 department, discount and chain stores. **Washington:** House Trade Subcommittee holds a hearing on U.S. trade policy objectives and initiatives.
Wednesday March 19	**Tokyo:** Federation of Electric Power Companies releases data on electricity demand in February.	**London:** Office for National Statistics releases unemployment claims for February; average earning indexes, employment, hours, labor disputes for January; productivity and wage costs for January; retail sales for February.	**New York:** New York State Public Service Commission issues its ruling on Bell Atlantic Corp.'s planned $23 billion acquisition of Nynex Corp. **Washington:** Labor Department reports consumer price index for February.
Thursday March 20	No events listed.	**London:** Retail Price Index for February. **Madrid:** Industrial production figures for January. **Stockholm:** January industrial production figures. Quarterly inflation report.	**Washington:** Commerce Department reports trade deficit in goods and services for January. **Ottawa:** January international trade and January retail trade.
Friday March 21	**Manila:** Pryce Properties holds special stockholders' meeting to approve a 15 percent stock dividend declaration.	**Prague:** Gross domestic product figures for the last quarter of 1996. **Helsinki:** Fourth-quarter GDP figures. **London:** Confederation of British Industry's trends survey for March.	**Ottawa:** Statistics Canada reports February consumer price index. **Washington:** Labor Department reports February import/export prices.

Last Week's Markets

Stock Indexes

	March 14	March 7	% Ch'ge
United States			
DJ Indus.	6,935.46	7,000.89	—0.93
DJ Util.	224.22	226.66	—1.08
DJ Trans.	2,435.37	2,447.86	—0.51
S & P 100	768.30	779.45	—1.43
S & P 500	793.31	804.11	—1.34
S & P Ind	926.37	935.07	—0.93
NYSE Cp	417.85	423.46	—1.32
Nasdaq Cp	1,293.20	1,310.95	—1.35
Japan			
Nikkei 225	17,923.64	18,198.74	—1.51
Britain			
FTSE 100	4,424.30	4,420.30	+0.09
Canada			
TSE Indus.	6,183.60	6,263.90	—1.28
France			
CAC 40	2,645.62	2,708.28	—2.31
Germany			
DAX	3,339.29	3,376.20	—0.50
Hong Kong			
Hang Seng	12,736.53	13,337.35	—4.50
World			
MSCIP	832.997	840.19	—0.86

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	March 14	March 7
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅛	5¼
Japan		
Discount	0.50	0.50
Call money	0.43	0.42
3-month interbank	0.59	0.56
Britain		
Bank base rate	6.00	6.00
Call money	5¾	6 1/16
3-month interbank	6 3/16	6⅛
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
3-month interbank	3 7/16	3 7/16
Germany		
Lombard	4.50	4.50
Call money	3.13	3.12
3-month interbank	3.28	3.25

Gold	March 14	March 7	% Ch'ge
London p.m. fix $	352.80	350.30	+0.71

Euromarts

Eurobond Yields

	Mar 14	Mar 7	Yr high	Yr low
U.S. $, long term	6.80	6.74	6.82	6.53
U.S. $, mdm term	6.46	6.43	6.47	6.10
U.S. $, short term	6.11	6.19	6.19	5.76
Pounds sterling	7.28	7.23	7.62	7.09
French francs	4.77	4.74	4.98	4.66
Italian lire	7.54	7.53	7.54	6.98
Danish kroner	5.52	5.50	5.72	5.38
Swedish kronor	5.13	5.13	5.19	4.82
ECUs, long term	6.01	5.95	6.19	5.76
ECUs, mdm term	5.30	4.84	5.20	4.76
Can. $	6.04	5.95	6.08	5.70
Aus. $	7.66	7.55	7.66	7.11
N.Z. $	7.91	7.97	8.00	7.19
Yen	1.69	1.71	1.94	1.69

Source: Luxembourg stock exchange.

Weekly Sales

March 13

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	220.1	1,042.1	2,776.8	1,484.5
Convert.	58.3	0.0	432.6	7.1
FRNs	551.0	648.2	295.0	878.1
ECP	7,706.7	8,488.6	15,828.5	14,901.0
Total	8,536.1	10,178.9	19,332.9	17,270.7

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	26,341.0	21,725.9	111,793.3	33,027.9
Convert.	1,466.3	1,622.2	3,629.5	2,400.2
FRNs	18,438.3	5,024.4	67,814.9	5,249.2
ECP	14,486.7	15,745.5	20,154.8	27,900.5
Total	60,732.3	44,118.0	203,392.5	68,577.8

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 7/16	5 9/16	5¾
Deutsche mark	3¼	3¼	3¼
Pound sterling	6¼	6½	6 11/16
French franc	3 5/16	3⅜	3 7/16
ECU	4½	4¼	4¼
Yen	9/16	9/16	9/16

Sources: Lloyds Bank, Reuters.

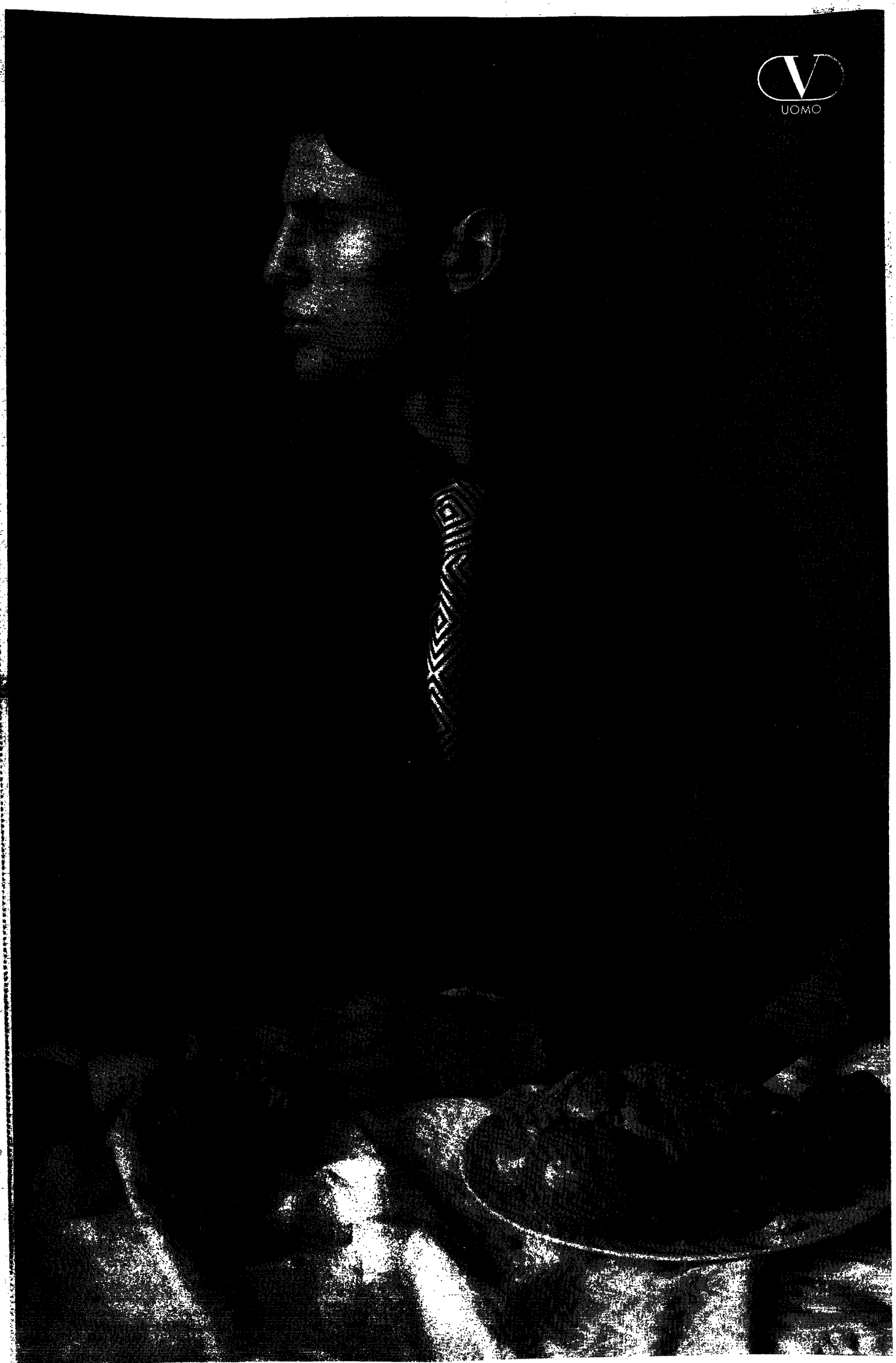

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ROMA - MILANO - BARI - FIRENZE - NAPOLI - PALERMO - VENEZIA - PARIS - DEAUVILLE - MONTECARLO - LONDON - ATHENS
GENÈVE - GSTAAD - MOSCOW - NEW YORK - BEVERLY HILLS - PALM BEACH - WASHINGTON - HONG KONG
SEOUL - SINGAPORE - TAIPEI - BEIJING - TOKYO - OSAKA - FUKUOKA - NAGOYA - GUANGZHOU

INTERNATIONAL HERALD TRIBUNE, MONDAY, MARCH 17, 1997

BOUTIQUE



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MONDAY, MARCH 17, 1997

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As Euro Looms, Currency Traders Become Endangered Species

By Erik Ipsen
International Herald Tribune

LONDON — Politicians and executives may be dismayed by talk of a possible delay in Europe's adoption of a single European currency, but financiers are delighted.

For them, the costly preparations for economic and monetary union have long seemed like paying good money for the privilege of losing even more.

For months, bankers have been adding up the multibillion-dollar tab for converting everything from cash dispensers to electronic payment systems to handle Europe's new single currency.

Only recently, however, have financiers begun to assess an even graver problem: a long-term loss in revenue from products and services that will perish along with the region's multiplicity of currencies.

Deutsche Bank AG, for example, has calculated that the changeover to the

Second of two articles.

single currency will cost it 350 million Deutsche marks ($206 million).

"The problem is that this is only one side of the coin," said Werner Becker, who heads a Deutsche Bank team planning for the new currency. "Some lines of business, like foreign exchange and cross-border payments, will disappear."

The decline in currency trading, the most obvious casualty of monetary union, has already begun. Graphs of the values of European currencies such as the Italian lira and Spanish peseta — which once looked like those churned out by a polygraph strapped to the chest of an inveterate liar — have now begun to undulate softly. The loss of volatility has meant slimmer profits and a thinning in the ranks of currency traders for the past two years.

Far more lies in store. By many estimates, trading in European currencies accounts for roughly 10 percent of the total volume on currency markets. Avinash Persaud, a currency strategist at J.P. Morgan & Co., adds in trades using an intermediate currency (such as the dollar) and predicts that the gap could be several times larger. "Economic and monetary union could take out as much as a third of foreign exchange turnover," he said.

For industrialists, of course, this is great news, as Toyota's president, Hiroshi Okuda, highlighted in December when he threatened to halt his company's future investment in Britain unless it embraced monetary union. Indeed, the single currency's ability to boost the efficiency and thus the competitiveness of Europe's businesses has long ranked as one of its chief selling points.

The problem is that much of those gains in efficiency will come out of the well-tanned hides of Europe's financiers. "A significant portion of our business is effectively being removed from our marketplace," said James Orbell, a director at Credit Suisse Financial Products in London.

Meanwhile, currency values are not the only things in Europe that are falling into line. The gap between the traditionally high interest rates in countries such as Italy and Sweden and the low rates of Germany and the Netherlands has narrowed dramatically in the past year. The spread between Italian and German ten-year bonds, for example, more than halved, to less than 2 percentage points.

Along the way, the once-wild gyrations in the price of borrowed money have also eased. If that trend continues, the risks of doing business in Europe should decline — as should the need for corporate treasurers to spend money buying futures and options to hedge those risks.

And then there are bonds. Europe's governments will surely continue to tap fixed-income markets for needed cash, but in the land of the euro all that cash will be priced in the same currency. In a region where bond traders bet not just on the direction of interest rates but on the direction of the bond's currency, this represents a huge lurch toward a simpler world — and, for the financial industry, a less profitable one.

"Bond trading as we know it in Europe is almost dead," said Nigel Richardson, head of bond research at Yamaichi International in London.

Estimates of how long it will take European financiers to find new ways of making money vary widely, and by market. A recent study by the Center for Economics and Business Research, for instance, predicted that monetary union would initially wipe out 10,000 jobs in the City of London financial district, but that new jobs would be added in time. Looking at Europe's bond markets, Gunther Thumann, coordinator for monetary union at Salomon Brothers Inc., predicted that the initial job losses could be made up "within a year."

Apple to Shed 4,100 Jobs And Trim Product Lines

Firm to Focus on Publishing and Education

By John Markoff
New York Times Service

SAN FRANCISCO — In announcing it would lay off 30 percent of its work force and cut back its product lines, Apple Computer Inc. said it was finally turning a corner — but it left many questions unanswered.

The computer maker said Friday it would lay off 4,100 employees and temporary workers and take charges totaling $250 million over the next three quarters to pay for the job cuts.

Chairman Gilbert Amelio also said that basic research at Apple would be narrowed to focus on the publishing and educational markets as well as on developing new technologies in human-computer interface design.

While Apple executives had previously said they would give details about which businesses the company would exit, the product cutbacks announced Friday — Apple is ending development of some software technologies — left the fate of other products and businesses in limbo.

Apple's stock closed Friday at $16.5625, up 18.75 cents, in Nasdaq trading. The job and product cutbacks were announced after the market closed.

Apple is still facing a huge loss for its second financial quarter of 1997, which ends on March 28. The loss will include the first $155 million in charges related to the latest revamping, as much as $325 million for the acquisition of Steven Jobs' Next Software Inc., and an undisclosed operating loss.

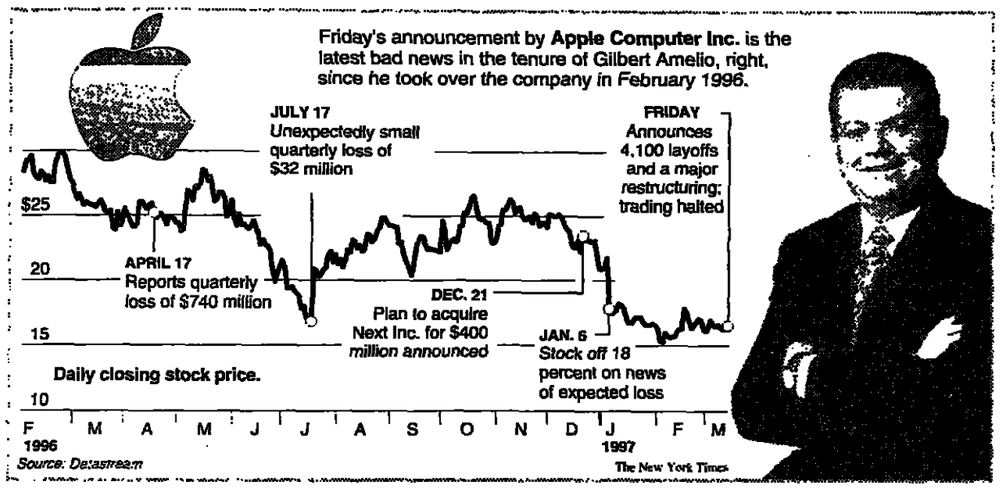
Apple's chief financial officer, Fred Anderson, said the company's goal was now $8 billion in revenue as its breakeven target and that he believed such a business model was sustainable. Apple had $9.83 billion in revenue in 1996.

Mr. Anderson said in addition to reporting a loss in its second quarter, Apple expected to have a loss next quarter, but now forecast that it would be profitable in its fourth quarter of 1997.

Although it reported a profit in its fourth quarter in 1996, the company has had a string of large losses as it has found its business increasingly under attack from the Microsoft and Intel-based computer makers.

In the past, the company has said that its proprietary technologies differentiate its products from those designed around software written by Microsoft. However, the announcement Friday made clear that Apple will no longer try to compete with industry standards such as the Java programming language, which will make modular software components widely available via the Internet.

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An Apple for Teacher Becomes Rarer

By Rajiv Chandrasekaran
Washington Post Service

WASHINGTON — When a school principal, Mark Kelsch, needed to outfit the computer laboratory at Sligo Middle School in Silver Spring, Maryland, five years ago, figuring out what kind of machines to buy was a no-brainer.

From the introduction of its popular Apple II units in the early 1980s to its more recent Macintosh machines, Apple Computer Inc. had long been the top choice of educators all over the country because of the company's deep discounts to schools and user-friendly software. "If you were a teacher, it was what you bought," Mr. Kelsch said.

But when faced with equipping a second computer lab at his school a few months ago, Mr. Kelsch's choice was far tougher.

Most of his students who have home computers have machines that run Microsoft Corp.'s Windows software and are incompatible with the Apples. He was able to get better prices for Windows computers.

He also started worrying about how well the financially beleaguered Apple would be able to maintain its machines.

His choice this time was 30 computers that run Windows. "If they've got Windows at home and their parents use Windows at work, I realized that I'm teaching wrong technology if I'm using Apples," Mr. Kelsch said.

Such conversions are increasingly common in the nation's schools. This year, for the first time, the majority of computers bought by primary and secondary schools will use Windows, according to a recent study by the market research firm International Data Corp.

The educational defections couldn't

See SCHOOLS, Page 15

Chipmakers In Japan Said to Trim Expansion

Compiled by Our Staff From Dispatches

TOKYO — Japan's five leading semiconductor manufacturers have decided to freeze plans to build new domestic plants in response to a global slump in demand, a leading Japanese business newspaper reported Sunday.

Toshiba Corp. will postpone the start-up of a new microchip plant in Iwate prefecture, in northern Japan, to 1999, the Nihon Keizai Shimbun said. The 130 billion yen ($1.05 billion) facility was scheduled to begin operations by March 1998.

Fujitsu Ltd. will indefinitely postpone the construction of a new plant in Fukushima prefecture, north of Tokyo. The plant was designed to manufacture logic integrated circuits. Under the original plan, the construction of the plant was to begin in the middle of 1997 at a cost of 100 billion yen.

NEC Corp. is also considering cutting its capital spending for the year to March 1998 by 10 billion yen, to 180 billion yen, by curtailing planned new lines at a plant in Yamagata prefecture, in northern Japan, the newspaper said.

Mitsubishi Electric Corp. froze construction of part of its plant in Ehime prefecture, in southwestern Japan, in January, while Hitachi Ltd. suspended operations at its plant in Gunma prefecture, north of Tokyo, last year, it said.

Japanese chipmakers drafted ambitious capital investment plans in 1994 and 1995 when the world's semiconductor market was booming, the paper said. *(Reuters, AFP)*

■ Japanese Chip Orders Fall

The Semiconductor Equipment Association of Japan, a trade group, said Sunday that Japanese chipmakers received orders worth 87.69 billion yen in January, down 6.3 percent from a year earlier, Bloomberg News reported.

Japanese and foreign chipmakers received orders worth 60.29 billion yen from within Japan, down 12.2 percent on the year. Orders between April and January totaled 521.09 billion yen, down 8.4 percent from the previous year.

Sales of semiconductor-manufacturing equipment made in Japan, including exports, fell 2.5 percent in January to 82.03 billion yen. Sales of semiconductor-making equipment in Japan, including imports, dropped 19.1 percent to 46.79 billion yen.

CYBERSCAPE

Network Computers Are Catching On

By Mitchell Martin
International Herald Tribune

NEW YORK — Although they are not yet widely available for consumers, people and companies are already beginning to use network computers, the relatively inexpensive machines made for browsing the Internet and using electronic mail.

Unlike personal computers, which allow each user freedom to operate a wide and growing variety of programs, network computers are limited to applications stored in a central computer called a server.

Personal computers also can be linked in server-based networks, but each PC retains the ability to run its own programs. For corporate users, this means that employees can load games, communications packages and other applications that may not be related to their work, so the threat of viruses is ever-present. Additionally, every time a company wants to update a program, it must be separately loaded on each PC.

For consumers and small businesses, PCs provide great power, but setting up the computers and running them is not always easy, and upgrading software for the newest programs can be expensive.

NCs, by contrast, are centrally controlled, so a company an easily update programs and users cannot load their own software. Another lure of network computers is that they can cost far less than PCs, as little as $500. Although definitions vary, an NC generally does not have a hard disk, although it does have memory chips and a microprocessor.

The concept is essentially a high-tech update of the Minitel system used in France. The state-run phone company provides Minitel terminals at a nominal cost, and the units are widely used for banking, home shopping and chat services. But Minitel is a text-only system that has never had much success outside of France.

The concept of network computers was introduced on a grand scale by Lawrence Ellison, chairman of Oracle Corp., in September 1995. That ignited a dispute that grouped companies such as Oracle, International Business Machines Corp., Sun Microsystems Inc., Netscape Communications Corp. and Apple Computer Inc. and Novell Inc. against Microsoft Corp.

According to the conventional wisdom, if NCs take off, Microsoft has the most to lose because its Windows operating systems would diminish in importance, losing their current dominance of the desktop PC. Because most PCs now sold use Windows, Microsoft has an easy time selling its own applications software, such as the popular Word word-processing system and Excel spreadsheet.

As it turns out, however, NCs were being sold before Mr. Ellison suggested them, and they do Windows.

Rover Group Ltd., the British car-making subsidiary of Bayerische Motoren Werke AG, has been using network computers made by Network Computing Devices Inc. for three years.

Dave Ward of Rover said the NCs were installed for engineers to use the Unix operating system, which is popular among users of math-intensive programs. These NCs were not replacing personal computers, Mr. Ward noted, but were taking the place of dumb terminals linked to IBM mainframes, the standard architecture of computing in the 1960s and 1970s.

Yet Rover, which has 700 NCs installed and 200 on order, also found its engineers needed access to business software such as Microsoft Word. The

See NETWORK, Page 15

Khashoggi to Offer Settlement

Reuters

DUBAI — Adnan Khashoggi, the Saudi financier, said in remarks published Sunday that he was preparing a response to charges of conspiring to defraud Bangkok Bank of Commerce Ltd. and was hopeful of an amicable settlement.

The Saudi daily Al Iktesadia quoted Mr. Khashoggi as saying from Paris that he had started Saturday to prepare "a detailed memorandum including proposals for an amicable settlement to the issue."

On Friday, Thai police said they had issued arrest warrants for Mr. Khashoggi and four officials of the ailing Thai bank on charges of conspiring to defraud the bank.

The Bank of Thailand, the central bank, had requested the warrants against the five, charging them with having jointly conspired to have Mr. Khashoggi receive 2 billion baht ($77 million) in loans from the bank without credible collateral in 1995.

Mr. Khashoggi "denied categorically" knowing Terry Easter, a Briton arrested on charges of conspiring to embezzle assets of the troubled bank. Mr. Khashoggi added that he thought it was unlikely he would face arrest.

He also denied knowing any of the other people accused in the case.

The charges relate to a 1995 loan Mr. Khashoggi used to fund takeovers of three publicly traded companies: the cooking oil producer Morakot Industries PLC, Jalaprathan Cement PLC and an electronics producer, Semiconductor Venture International PLC.

The takeovers cost about 5 billion baht, most of which was provided by Bangkok Bank of Commerce and implemented through an investment vehicle controlled by Mr. Khashoggi.

CURRENCY RATES

March 14

Cross Rates

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.9145	3.0585	1.1251	0.3205	0.113	—	5.4545	1.309	1.5493	1.4205	1.3245
Brussels	35.275	56.3675	20.67	5.91	2.0833	18.3395	—	24.0725	0.2843	25.828	24.345
Frankfurt	1.7052	2.723	—	0.2964	0.1005	0.8889	6.348	1.162	1.3784	1.2492	1.1775
London (a)	1.6009	—	2.7283	9.1785	2.710.484	3.0849	56.7156	2.3387	197.527	2.3333	231.226
Madrid	164.889	231.359	84.919	25.16	8.519	75.479	4.1168	98.671	111.5755	106.099	—
Milan	1,698.90	2,708.15	996.90	295.15	—	884.15	48.226	1,156.95	13.723	1,245.00	6.331
New York (b)	—	1.6814	1.6953	5.718	1,691.00	1.9857	34.95	1.456	123.35	1.3652	144.91
Paris	5.7586	9.1955	3.3751	—	0.3386	2.9999	0.1636	3.9217	0.4527	4.2129	3.9746
Tokyo	122.30	194.93	72.23	21.42	0.727	64.21	3.5018	84.15	—	90.36	85.58
Toronto	1.3533	2.1858	0.8061	0.237	0.0888	0.7147	0.3988	0.9377	1.1068	—	0.95
Zurich	1.4429	2.3265	0.8595	0.2549	0.0862	0.7643	4.1666	—	1.1854	1.071	1.013
ITECU	1.1433	0.716	1.9588	6.581	1,944.48	2.1948	48.2398	1.6789	141.511	1.5612	165.658
SDR	1.3721	n.a.	2.3401	7.9025	2,333.87	2.6343	48.2466	2.0143	169.548	1.8777	198.833

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates of 4p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9968	Greek drac.	268.15	Mex. peso	7.995	S. Afr. rand	4.4255
Australian $	1.2547	Hong Kong $	7.744	N. Zealand $	1.4351	S. Kor. won	879.20
Austrian sch.	11.998	Hung. forint	177.43	Norw. krone	6.867	Swed. krona	7.7833
Brazil real	1.0575	Indian rupee	35.86	Phil. peso	26.32	Taiwan $	27.51
Chinese yuan	8.3255	Indo. rupiah	2399.25	Polish zloty	3.08	Thai baht	25.96
Czech koruna	29.03	Irish £	0.6417	Port. escudo	171.25	Turkish lira	124440.
Danish krone	6.5055	Israeli shek.	3.3703	Russ ruble	5699.0	UAE dirham	3.6705
Egypt. pound	3.3938	Kuw dinar	0.3038	Saudi riyal	3.75	Venez. bolív.	476.50
Fin. markka	5.0875	Malay. ring.	2.477	Sing. $	1.4342		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5958	1.5950	1.5942	Japanese yen	123.10	122.59	122.02
Canadian dollar	1.3616	1.3587	1.3562	Swiss franc	1.4637	1.4588	1.4546
Deutsche mark	1.7019	1.6988	1.6952				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Follow Nike Footsteps To Find Asian Growth

Reuters

LONDON — Investors seeking a sure investment in the uncertain world of emerging markets should use their feet — and follow the Nike Indicator.

An analysis of Nike Inc.'s production pattern found that every country where the company had produced sneakers had seen high, long-term economic growth. The analysis is contained in a report released Monday by Robert Fleming Holdings Ltd., an investment house specializing in emerging markets.

Nike outsources most of its production to contractors in Asia. Nike said the criteria used in selecting a country included political stability, quality of labor, infrastructure, government policy, customs duties and quotas.

Nike produced in Japan in 1972, then moved to South Korea and Taiwan in 1975, and in 1987 began producing in Thailand, China and Indonesia. Today it has left Thailand and about 70 percent of its sneakers are made in China and Indonesia.

Li Tong, the Flemings analyst who wrote the report, said Thailand should see Nike's departure as an indication that its economy was successful and as a sign that Thailand was ready to move from manufacturing sneakers to semiconductors. "Wage rates go up because workers have learned skills. Nike's departure indicates that the country is at a new stage of development."

"Investors should note that Japan and Korea both saw tremendous growth in their automobile industries after Nike left," the report said.

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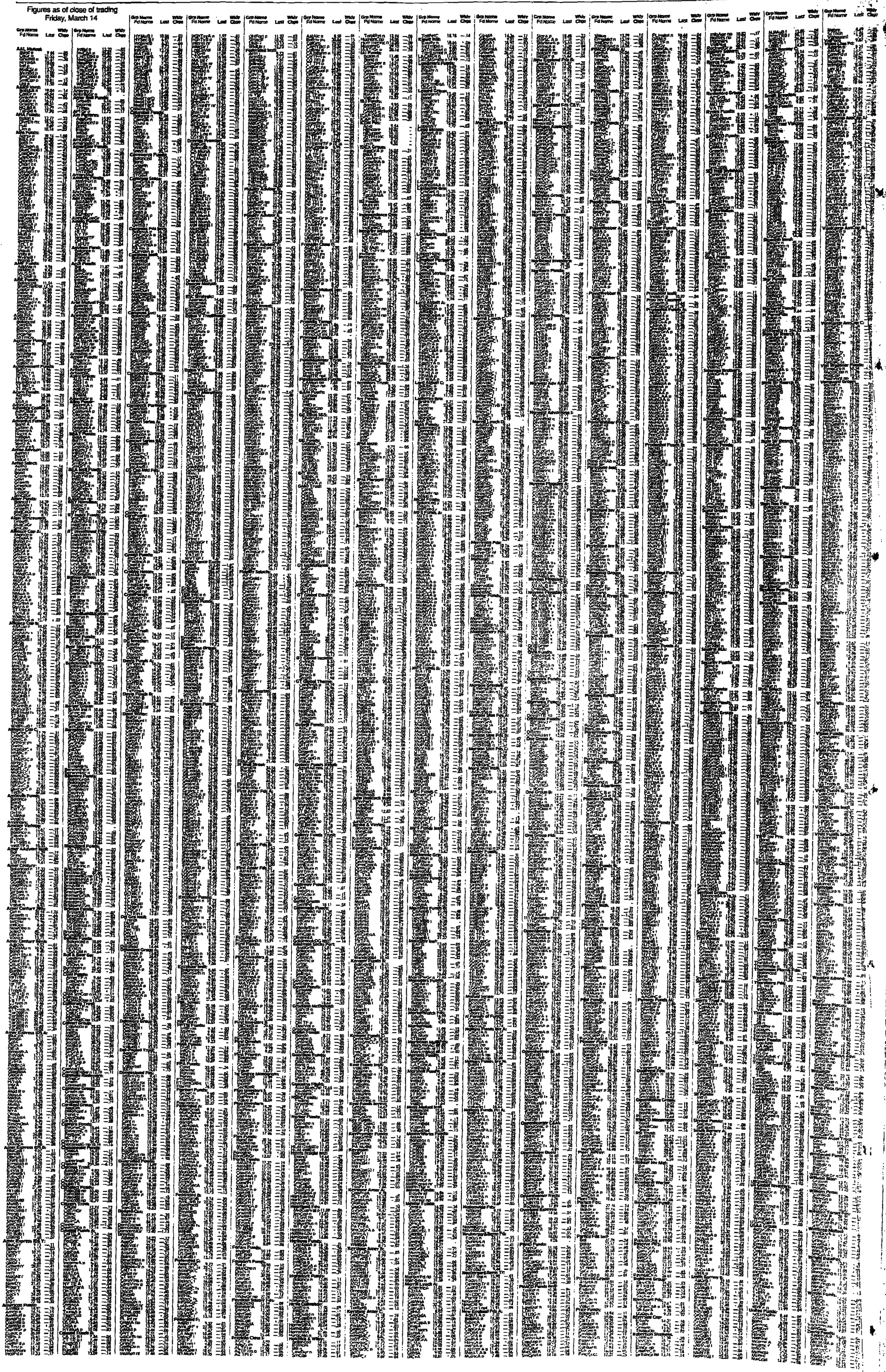
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Herald International Tribune

MUTUAL FUNDS

Figures as of close of trading Friday, March 14



Thai Market Faces More Bear Runs

Despite State Measures, Crisis Still Unresolved

Reuters

BANGKOK — Although the darkest hour may have passed in Thailand's financial crisis, analysts expect more turmoil as investors realize that new government measures aimed at propping up ailing sectors of the economy may not address fundamental problems.

"People are beginning to realize the scale of the problem," said Graham Carterwell, head of equities at Deutsche Morgan Grenfell. "It's not over yet. There is more to come, that's for sure."

Two weeks ago, the Thai financial system was rocked by a crisis of confidence, causing the local stock market to plunge nearly to a five-year low as investors questioned the nation's financial health.

A package of measures, including plans to rescue troubled property developers and their financiers through a multibillion dollar bond issue, helped restore some confidence to the market, which rebounded last week.

But the recovery seems to be short-lived and the market, which has already lost more than half of its value in the past year, appears poised to fall further.

In the first sign of what could transpire in the next few weeks, the benchmark SET stock index fell 21.77 points, or 3 percent, on Friday to 694.91 — erasing the week's gains as the government's measures lost their initial appeal.

Analysts say the fall could continue in the near term and the index could drop to a level as low as 580 to 600.

"I feel very skeptical," said one analyst. "I feel that the intervention has brought up sentiment a bit, but I think there will be a bit more downside next week."

Banks and financial institutions, which together make up about 40 percent of the market, were the big losers on Friday and their shares could continue to drop in the next week or so, analysts said.

"We're still underweighting the market," said an analyst at a foreign securities company. "Banks are unattractive, finance companies are unattractive." He added that banks were "the major investment vehicles for foreigners so there's not much left to buy."

The government ordered the country's 15 banks and 91 finance companies — many of which have broad exposure to the bloated property market — to raise provisions for substandard assets. It also told 10 weakened finance companies to increase capital.

Banks and finance companies have sunk about 800 billion baht ($30.82 billion) in loans into troubled property firms. Many of the loans are suspected to be bad debts, analysts say.

Although the new measures were welcomed, analysts said finance companies needed a more severe restructuring.

"The government had to do something, but the problem is it is not rewarding well-managed companies and penalizing badly managed ones," said George Morgan, country manager for HG Asia. "This would have been a good opportunity for a shake-up."

In addition, the government's bond issue to help the property sector does not address the fundamental problem of the sector's over-supply.

"The market should be able to move in the way market forces dictate," said one analyst. "This way it brings more money into the system to inflate demand," but that "doesn't get away from the problem that there is still oversupply."

Who's Laughing Now? Not Leisure Investors

They're Serious About the Future of Multi-Screen Entertainment Complexes

Bloomberg News

CANNES, France — AMC Europe's president, Bruno Frydman, no longer hears potential investors snickering after he tells them about the opportunities in multi-screen entertainment complexes.

Mr. Frydman, whose company is owned by the U.S. multi-screen theater company AMC Entertainment Inc., has traveled Europe for five years to promote the concept of attracting people with movies, then enticing them to spend more money at other outlets.

The response has become more enthusiastic because investors are increasing their investment in leisure property, believing that rents and property values will increase if more people can spend more money in an entertainment complex.

"There's an awful lot of activity in leisure right now," said Michael Griffiths, a director with Land Securities PLC, Britain's largest property investment company with a portfolio worth more than £5 billion ($8 billion). "People do have more time on their hands and they have the money so they're going to spend it on leisure."

Land Securities is now in the planning stages of three developments in Britain and is convinced they will make money, although there are worries about oversupply if too many suburban complexes are built.

Mr. Frydman, speaking at MIPIM, Europe's largest real estate conference, said the idea behind the multi-sceen complexes is to attract consumers with about 30 to 40 movie screens in a heavily populated area. Outside the cinemas would be other entertainment outlets that might include bowling alleys, bingo parlors or virtual reality centers.

The complex would include 30 to 40 restaurants, ranging from fast-food restaurants to ethnic restaurants to theme restaurants, such as Planet Hollywood. The final piece in the puzzle is retail outlets associated with entertainment or culture, such as book stores, record stores, and video stores.

"In 1992, when I started to work on this field, I could almost hear the investors laugh when I left their offices," said Mr. Frydman.

> *'People have more time on their hands and they have the money so they're going to spend it on leisure.'*

"The investors are now talking to us even though the track record of the family entertainment center is not there yet."

He said the developments can offer yields — the annual return in rent expressed as a percentage of the purchase price — of 8 to 12 percent. Mr. Griffiths said that 7 percent was widely available in Britain and that investors aim for 8 percent.

That compares with prime office yields in central London of 5 to 6 percent, according to the real estate consultancy DTZ.

While the ultimate example of a leisure complex is Disneyland Paris, a more modest example is Trocadero, a 430,000-square-foot complex on Piccadilly Circus in London's West End, owned by Trocadero PLC, an associate company of the British property company Burford Holdings PLC.

The Troc, as it is known, is anchored by Segaworld, a five-floor arcade of video games and rides, and includes restaurants whose themes range from a South American rain forest to Marvel comic books. An Imax big-screen theater will open this year and the retail outlets include a huge compact disc store and souvenir shops.

Although Nick Leslau, chief executive of both Trocadero and Burford, has admitted that Segaworld has proven a disappointment so far, the Troc's rental income was £8.9 million in 1996; the company said rental income at the end of 1996 reflected about 20 to 30 percent growth from 18 months earlier.

Leisure property is different from other property because its success rests largely on the quality of the attractions.

That means the development requires a partnership between not just the developers, investors, financiers and tenants, but also the content provider.

"We're changing the paradigms of development here, and what we're finding worldwide is the lines between hospitality, entertainment and retail property have grayed," said Scott Malkin, managing director of Value Retail PLC.

His company has developed Bicester Village, a rural factory outlet for discounted brand-name clothes, between the prime British tourism destinations of Oxford and Stratford-on-Avon. The development is aimed to attract busloads of consumers visiting the popular spots who may want to buy last year's designer clothes at cut prices.

INVESTING

SCHOOLS: *An Apple for the Teacher Is Rarer in U.S. as Windows Advances*

Continued from Page13

come at a worse time for Apple, which has seen its share of the home and business markets slip as it struggles to compete against the booming popularity of Windows. Apple traditionally has relied on the educational market as a sure bet, a dominance that the company hoped would sell more home and business units as excited schoolchildren convinced their parents of the wonders of its computers.

"They're losing their grip on one of the few franchises they had left," said Scott Miller, an analyst with Dataquest Inc., a market research firm in San Jose, California. "This hurts quite a bit."

Mr. Miller estimates that education sales made up about 31 percent of Apple's 1996 revenue, or about $851 million.

One of the computer industry's most dominant players a decade ago, Apple has been struggling in recent years because of lackluster sales, weak acceptance of its hand-held computing products and an exodus of top managers. The company last year lost $816 million.

"People are really nervous" about Apple, said Mickey Revenaugh, editor of Electronic Learning, a New York-based magazine for computer teachers. "They've seen companies like Commodore, which sold heavily to schools, go out of business."

Apple, however, points to the fact that an estimated 60 percent of the computers in classrooms from kindergarten through 12th grade still are Macintoshes or Apple IIs. "There are an awful lot of people who like our computers," said Mike Lorion, vice president of Apple's education division.

Apple disputes the International Data numbers, saying they are based on predictions and not actual purchases. But even a study that the computer maker cites to show it is still at the top suggests that the numbers are not headed in the right direction.

According to the study, conducted by Quality Education Data, a market research firm, IBM-compatible computers' share of the school market grew from 27 percent in the 1992-93 school year to 39 percent in the 1994-95 school year. Most such computers use Windows. In the same period, the survey found, the share of Apple machines dropped to 58 percent, from 64 percent.

Some educators and industry analysts say the shift from Apple to Windows could have a broad impact on teachers as well as students and their families.

Teachers, who have used Apples for years, will have to learn how to use a raft of new software and design new lesson plans. Students will have learn how to use the Windows system, which some computer experts say can be more challenging for younger children to master. And parents who bought Apples to be compatible with their child's school now will be forced to consider another computer purchase.

But at Sligo Middle School, that transition has been remarkably smooth, Kelsch said.

On a recent afternoon, more than 40 students crowded into a computer room that contained 30 new Windows computers, while next door, only five children milled about in a room with 30 five-year-old Apple Macintosh LC machines.

"I'm more familiar with these because it's like what I have at home," eighth-grader Neal Kim, 13, said of the Windows computer he was working on. "It's pretty cool." Pallavi Agarwal, 13, said the new computers make it possible, for the first time, to take schoolwork home, where her family has a computer that runs Windows.

"I never used the Apple, computers that much because I didn't want to have to type the stuff I was working on again when I got home," she said.

The move away from Apples in schools has been spurred by a steadily growing number of educational software titles for Windows computers and new school discounts for Windows-compatible hardware.

Compaq Computer Corp. and Dell Computer Corp. have begun to aggressively court educators with cut-rate prices, special classroom models and presentations at teacher conferences.

To fight the educational slippage, Apple is resting its hopes on a scaled-down portable computer called the eMate 300, which is set to go on sale this spring for as little as $700. Instead of adding more features, the eMate will have a black-and-white screen, a comparatively slow microprocessor and small amount of memory.

"We think our strategy is sound," Mr. Lorion said.

"The eMate was designed because that's what teachers said they wanted."

But some industry analysts question whether the product, despite its attractive price, will be favored by teachers who want to run increasingly sophisticated educational software.

"It could be too little, too late for Apple," Mr. Miller said.

APPLE: *Computer Maker to Focus on Its Educational and Publishing Roots*

Continued from Page13

Apple also said it was ending its Performa brand and would ship new lower-cost Macintosh products soon. It also said that it would end the development of its AIX operating system software for its server computers and also discontinue its video-conferencing products.

"They are obviously doing what they should have done a year ago and focusing on the Macintosh and selling Macs," said Kimball Brown, a computer industry analyst at Dataquest, a market research firm in San Jose, California.

He said he still felt there were many question marks about whether software developers would support Apple's new operating system technology.

Analysts said hot new products were Apple's only potential lifeline.

"They have a dramatically loyal installed base and that's the one asset they have," said Charles Wolf, an analyst at First Boston.

"The question is, can they get the products out there to keep these people happy."

The company said it was ending development of a group of software technologies such as Opendoc, Opentransport and Cyberdog that are currently part of MacOS. It also said it was ending development of another software technology called Games Sprockets.

NETWORK: *Finding Clients*

Continued from Page 13

engineers "don't want two desktop devices." Mr. Ward said, so Rover is using Network Computing's WinCenter program, which allows its NCs to run programs designed for Windows.

It is not only engineers who are using NCs. Matthew Moran owns a systems-integration company called DataSource & Associates in Chatsworth, California. He has hooked up 20 NCs for Sebastian International, a hair-care and cosmetics company, with 60 to 80 more on order. The company put its technology department on the NCs first, then added the finance section.

Mr. Moran said the key users of the NCs were tapping into programs by the German software maker SAP AG, which help companies automate their businesses.

Although the lower cost of NCs was an incentive, "the real benefit is just in the day-to-day operations," Mr. Moran said. Sebastian runs "a pretty tightly controlled environment; users get the applications that are deemed necessary for their jobs."

With little access to the workings of their computers, users "can't call me and say 'I clicked on this and now nothing works' because they can't click on it."

Not that cost was not a factor. Mr. Moran estimated it cost $4,000 to set up a PC station for a typical business user, and that it would have to be upgraded every two years. By comparison, Network Computing just cut the price on its least expensive computer to $695 and its priciest model is $2,895.

NCs are also beginning to show up in homes. Bill Mitchell, a videographer in Azusa, California, uses a Bandai Pippin to tap into the "mind-blowing wealth of information" on the Internet, send and receive electronic mail, and for some limited word processing.

Mr. Mitchell was thumbing through a catalogue for Macintosh computers last year when he saw an ad for the Pippin, whose technology was created by Apple. He said he bought the $499.95 device because it had a compact-disk drive and was expandable: it accepts memory upgrades, a floppy-disk drive and a Zip drive, which is a kind of floppy drive that is nearly as fast as a magnetic hard drive in a conventional computer. It also connects to Apple printers.

"Overall, I am very happy with the Pippin," he said. "The only flaws I found in the software are in the on-screen e-mail keyboard: There is no question mark or apostrophe." But Bandai's customer support department, which Mr. Mitchell described as "top-notch" has promised to correct this.

Although Mr. Mitchell said he was "very happy" with his Pippin, he found the Bandai word processor to be "very basic" and was still considering the purchase of a home computer. But he said he understood that Bandai had a "first-rate version" of its current program under development. "If that's true, I may never buy a Mac," he said.

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SHORT COVER

China Plans Record Coal Pipeline

BEIJING (Reuters) — China will build the world's longest pipeline for transporting liquefied coal at a cost of $450 million, the China Daily Business Weekly said Sunday.

The 720-kilometer (430-mile) pipeline will run from the central, coal-producing province of Shanxi to Shandong in the east, the report said, and begin operations by 2000.

A joint venture, China Coal Pipelines Co., has been set up with foreign capital to prepare for the project, it said.

Shareholder Torpedoes Seoul Bid

SEOUL (Reuters) — The first hostile takeover bid in South Korea fizzled after a large shareholder, facing lobbying pressure from conglomerates, turned against a raider group targeting the retailer Midopa Co.

Sungwon Group, once regarded as a partner of Shindongbang Corp. in the bid, said over the weekend that it would sell its 12.6 percent stake to the Dainong Group, the controlling shareholder of Midopa.

Dainong agreed to pay 42,000 won ($47.77) for each of the 1.87 million shares, raising its stake to a comfortable 45.5 percent. Midopa shares closed Friday at 23,400 won.

Bonn Leaders Back New Tax Talks

FRANKFURT (Reuters) — Chancellor Helmut Kohl's governing coalition and the opposition Social Democrats proclaimed their readiness over the weekend to jump-start stalled talks on a sweeping overhaul of Germany's tax system.

The end of a dispute over subsidies to the coal industry, reached Thursday, removed the cause of the collapse this month in the high-profile negotiations.

"If the SPD is serious, we could have the cornerstone of an agreement within 14 days," Finance Minister Theo Waigel told the Bild newspaper's Saturday edition.

The leader of the Social Democrats, Oskar Lafontaine, said the two sides remained far apart but agreement was necessary to spur the economy and reduce record unemployment.

Stock Are Overpriced, Buffett Says

OMAHA, Nebraska (Bloomberg) — One year after saying shares in his own Berkshire Hathaway Inc. might have grown too expensive, Warren Buffett said investors risked paying too much for "virtually all stocks" in the United States.

In his annual letter to shareholders — available over the Internet for the first time — Mr. Buffett said that investors "can, of course, pay too much for even the best of businesses."

Berkshire Hathaway disclosed that it had more than tripled its investment in McDonald's Corp., to 30.2 million shares by the end of 1996 from 9.3 million in September 1995.

Agency Outlines Latin Growth Plan

BARCELONA (Reuters) — Latin American economic growth rates could jump to levels similar to those of the fast-growing Asian "tigers" if countries there undertake in-depth reform and bolster education spending, the Inter-American Development Bank said Sunday.

The regional growth rate could climb to 8 percent in a decade with tax and labor reform, privatizations and better education, according to a study by the development agency.

For the Record

• **Spain** has already fulfilled three of the five economic prerequisites for the European single currency, Economy Secretary Cristobal Montoro said, citing long-term interest and inflation rates and exchange-rate stability.

• **Hong Kong Telecommunications Ltd.** has picked the local film distributors **Golden Harvest Entertainment Co.** and **China Start Entertainment** as partners in its video-on-demand service. *Reuters, AFP*

BATTERY PARK CITY AUTHORITY

Battery Park City Authority expects to release a Request for *Proposals for the development of a hotel, or a mixed-use hotel and* residential project, on Site 1 at the southern end of Battery Park City. Interested parties who can demonstrate substantial experience in the development and/or management of such facilities should contact the Authority by April 4, 1997 and request a pre-qualification form.

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BATTERY PARK CITY AUTHORITY

Battery Park City Authority expects to release a Request for *Proposals for the development of new sites in its north residential* neighborhood. Buildings may range in size from 150,000 square feet to 500,000 square feet. Interested parties who can demonstrate the capacity to finance such developments should contact the Authority by April 4, 1997 and request a pre-qualification form.

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Tuesday

STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

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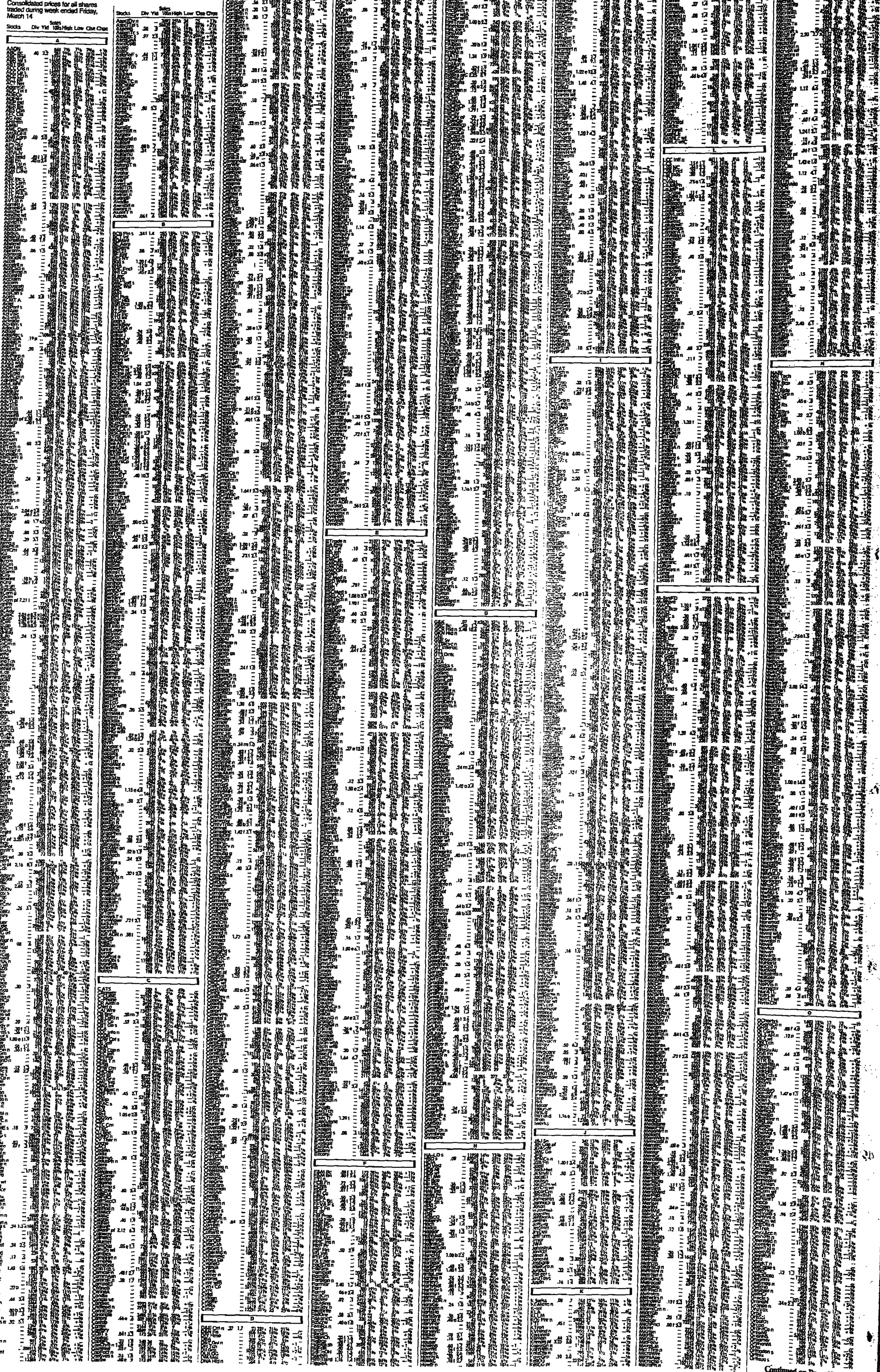
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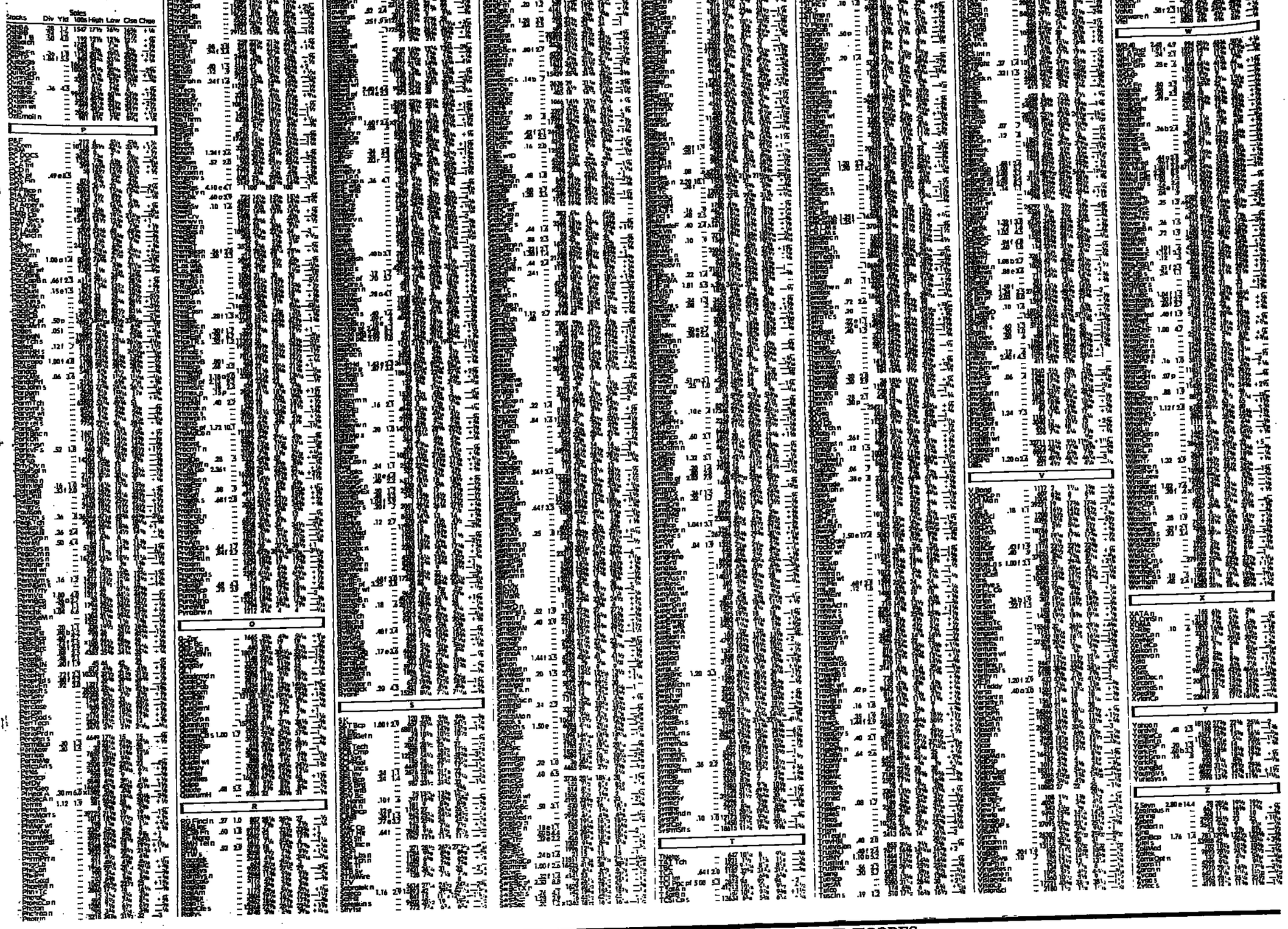


Continued on Page 17

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 14

(Continued)



DENNIS THE MENACE



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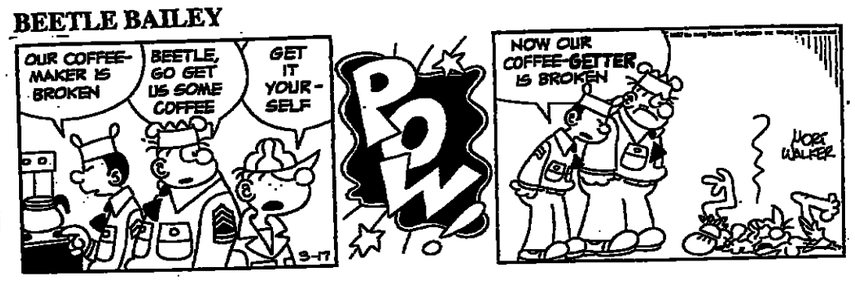
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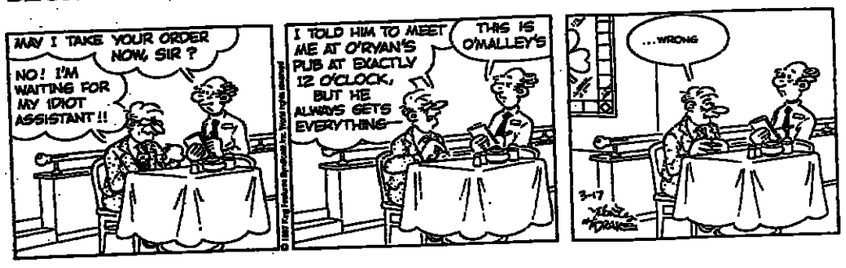
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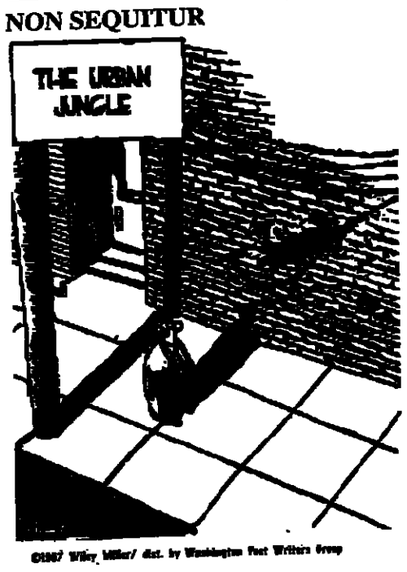
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Fashion

Why Noble Gaultier Is a Cut Above

Modern Elegance Becomes Buzzword for the Avant Garde

By Suzy Menkes

PARIS — It was a noble moment for fashion — and for Jean Paul Gaultier — when his exceptional collection, sharply tailored to give a graceful ease, defined the fall/winter season. It also marked a rite of passage for a designer once labeled the *enfant terrible* of French fashion. Now with a leap as big and bouncy as the Air-Jordan style shoes he showed, Gaultier, at 45, has joined the big league.

Yet he did it so deftly and calmly — sending out models with Afro top-knots held high, Josephine Baker kiss-curls round their cheeks, but wearing the loose, linear pantsuits in tactile fabrics that modern women crave. No fuss. No sexy innuendos. Nothing raucous or ridiculous. Just an underlying touch of wit in the Cotton Club theme — all sculpted chignons, magenta lipstick against dark skin and the funky, lady-like accessories you might find in photos of old Harlem.

The result was a collection that spelled modern elegance, which is the season's buzzword. Yohji Yamamoto also sent out a strong show, imbued with calm and charm, that continued his ongoing exploration of couture.

"Yes, of course, it came from the couture," Gaultier said backstage, his face smothered with the models' lipstick kisses after the show's ovation. He was referring to his January's haute couture show, in which he drew on his fashion training with Pierre Cardin.

Imagine that 1960s geometric tailoring given an updated aesthetic, so that a metallic gray jacket sat squarely over mannish pants, with a hooded sweater making a circle of the head. Those sweaters were a sly take on the rapper style Gaultier picked up from the street scene a decade ago, but, like everything in the collection, they were in upscale fabrics like camel cashmere or velvet.

The key piece was the tabard, or square tunic. It was worn with pants or a long skirt, split at the back. And it seemed modern even as a dress, when given flapper fringing or falling to the ankles, with a punched hem.

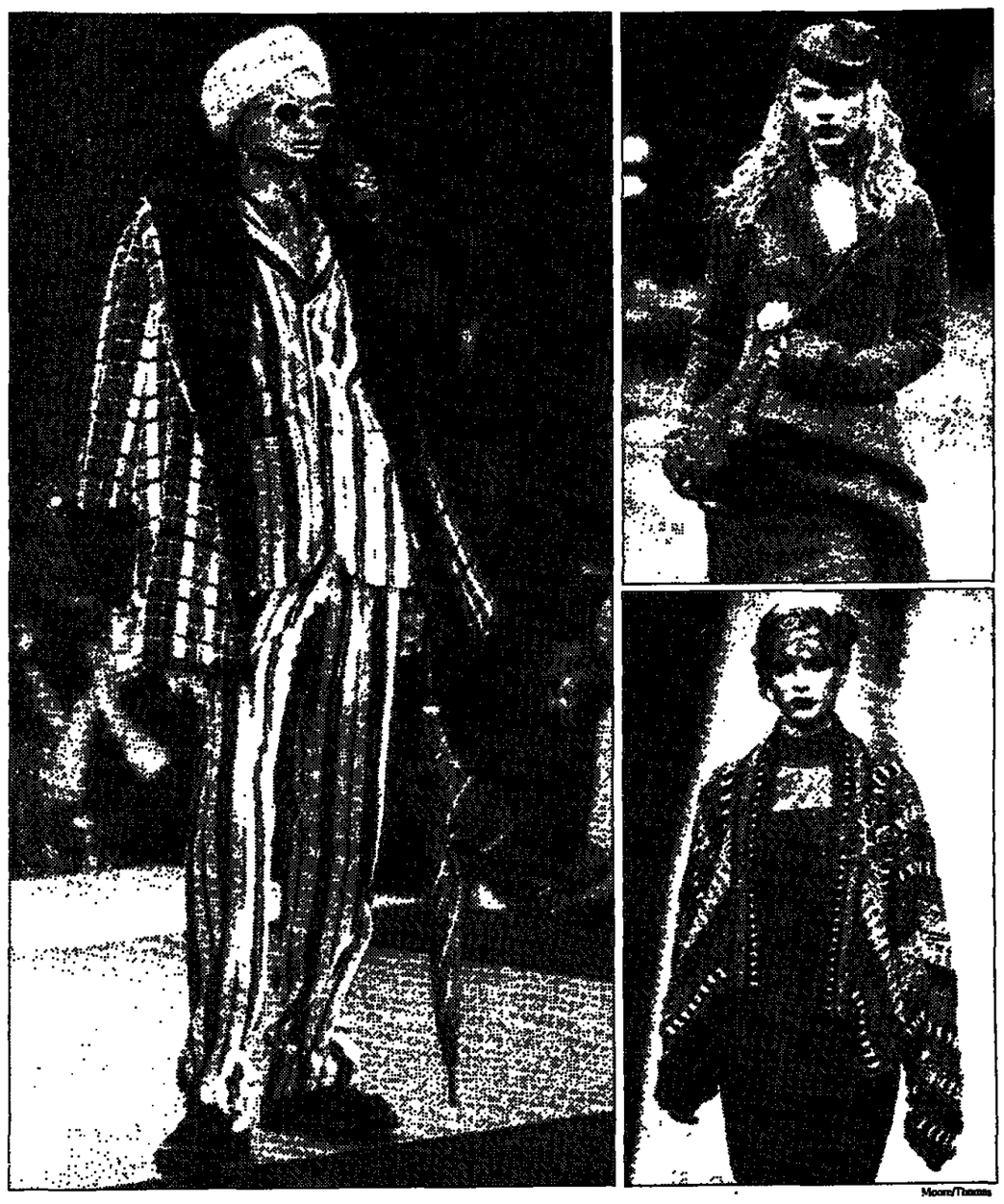
Colors had a gleaming mineral richness: silver, bronze, old gold, rust and verdigris. Or sequins twinkled as a V-neck tunic slouched out over mohair plaid pants. Just a touch of the wacky, street-wise Gaultier remained in a photoprint of denim shorts dangling from suspenders.

The collection was ebullient with ideas from the tip of its feathered turbans to the toes of its orange-sherbert pony-skin shoes. Yet at the same time wearable, womanly and a beacon to fashion's future.

Yohji Yamamoto was on the same track, bringing a gracefulness and femininity to his tailoring in a way that was never sugary, even when a model hugged a single flower to the front of her tweed ensemble. He had a hard act to follow his sensational spring show dedicated to Dior's New Look. But he pulled off a fine collection, using couture touches in a witty way: a froth of coin-dot organza at the neck; neo-punk silver studs as a take on embroidery; scarves in curly Mongolian lamb or colorful fox; even a jaunty French beret.

But like all the collections that count

Continued on Page 22



Moore/Thomas

Clockwise from left, Jean Paul Gaultier's striped velvet pantsuit and checkered coat; Yohji Yamamoto's feminine shawl-collared and wrapped tweeds; Christian Lacroix's textured knit cardigan over long, slim dress.

Stock Market Lures Luxury Labels

By Conrad de Aenlle

LONDON — The Ralph Lauren name, already stamped on cologne and clothing, is expected this spring to be added to another item, one at the height of fashion and bound to generate millions for the American designer: the Ralph Lauren stock certificate.

If market speculation is correct (the company won't say), Ralph Lauren will be the next large fashion and luxury goods concern to take advantage of soaring share prices and soaring esteem for the value of branded goods by conducting an initial public offering. The Spanish designer Adolfo Dominguez is due for an imminent flotation, as well. Offerings by Valentino and Versace are also thought likely.

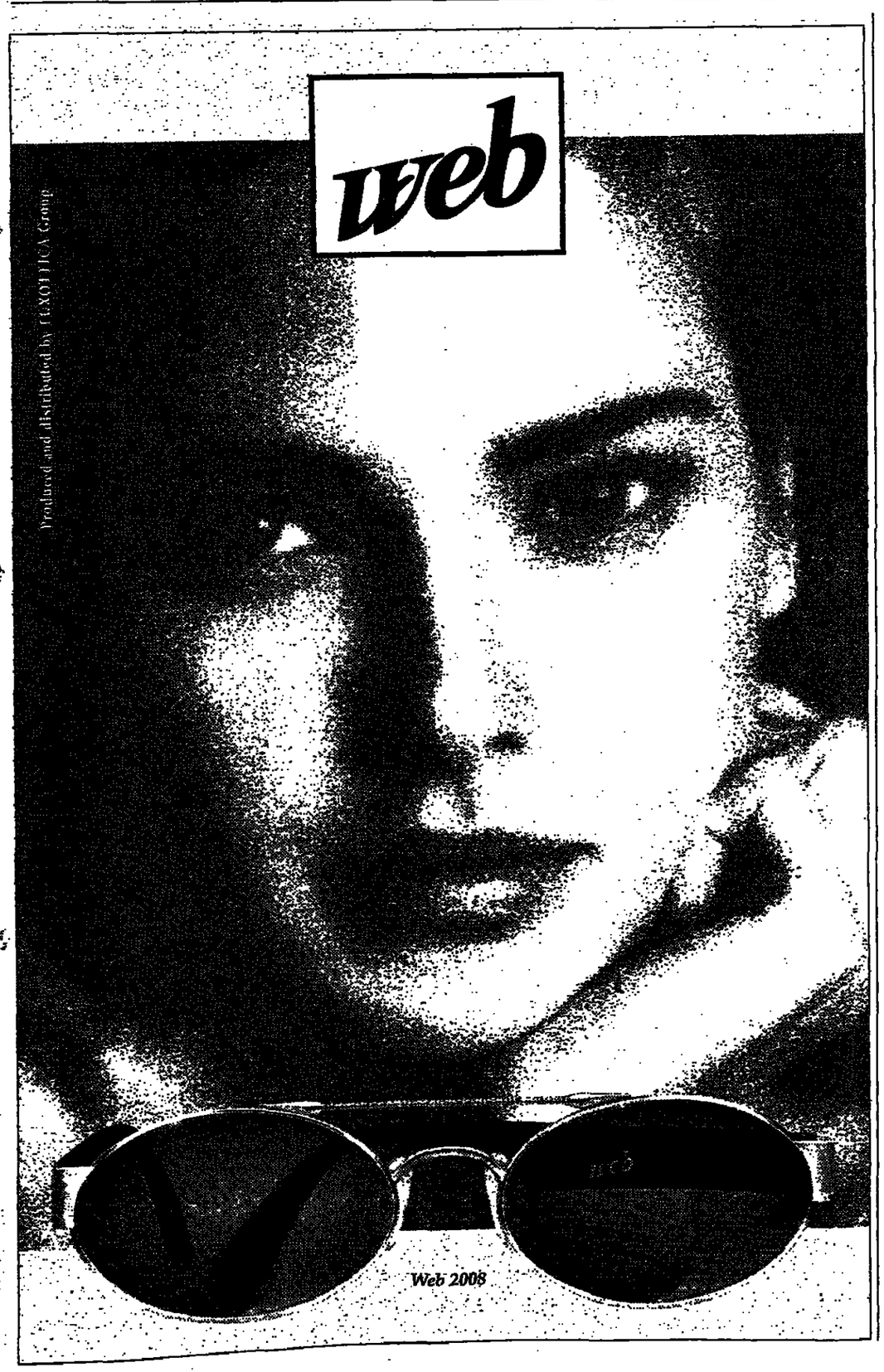
They would join several other household names, such as Bulgari, Gucci, Tiffany, Donna Karan, Tommy Hilfiger, that have come to market, mostly in the last two years. The money generated is used to expand lines or else to allow company founders, usually individual designers or a handful of family members, to yank cash out of their businesses.

Most of the issues have done very well, some doubling or tripling in price. Beyond the stubborn effervescence of American and European stock markets, the success is due to a revival of the notion among investors, as well as consumers, that brands are worth paying for.

"Over the last several years there's been a growing recognition that brands in general are powerful, and it's a reaction to the other extreme in 1992," said Cedric Magnelia, who follows fashion and luxury goods companies for the investment bank Credit Suisse First Boston. "Companies recognize the importance of market differentiation. Also, consumers are returning to brands after the relative strength of generic products."

That was a result of rapid expansion in the late 1980s that tarnished some once venerated names, nearly rendering them generic. A famous example is Gucci where, Magnelia noted, "excessive distribution and loose licensing agreements virtually destroyed the

Continued on Page 22





Since Dawn of Armani, Italian Tailoring a Touchstone for Quality

By Richard Buckley

MILAN — Tailoring, always Italy's strongest fashion suit, played well on the Milan runways earlier this month, particularly in the collections of Gucci, Dolce & Gabbana and Giorgio Armani. In the case of Armani, his numerous accomplishments as a tailor have been lionized to the point of mythology, but by far the most important of these efforts is the fact that the designer revolutionized the way men and women dressed in the 1980s.

In London recently, during a conversation about Armani's contributions to fashion, the Savile Row tailor Richard James made a telling off-the-cuff statement: Armani's greatest achievement, he said, was to take the English institution of tailoring and make it Italian.

"Before Armani," James continued, "people thought of England as the epitome of tailoring, and then Armani stole the spotlight. Suddenly, Italian was glamorous and English was fuddy-duddy."

In the late 1970s and into the 1980s, the modernism and sensuality of Armani's fashion underscored societal changes and existing perceptions of gender and sexuality as expressed through clothing. The designer took the structure out of men's suits with softer construction and fabrics that draped the body, while he completely redefined the international working woman with what came to be known as the "power suit." In short, Armani created a new sartorial language and made tailoring sexy.

In the 20 years since Armani became a household word, the whole world has come to associate Italian-tailored clothing with luxury, quality and style. This was not always the case. For decades,

Most Italians say that the best tailors today still come from Naples or Sicily.

Italian tailoring carried the stigma of bordering on flashy and sleazy. Tight-fitting, shiny Italian suits were synonymous with Mafia dons or gigolos.

Although its roots are fundamentally English, tailoring has always been key to Italian fashion. The sartorial custom dates back to the early 19th century when the tailors of Naples served the Bourbon monarchy of the Kingdom of the Two Sicilies. Most Italians say that the best tailors today still come from Naples or Sicily. The designer Antonio Fusco, who comes closest to marrying the artisan tradition to an industrial structure, was born in Naples, while Domenico Dolce of Dolce & Gabbana learned his craft as a child in his father's tailor shop in Sicily.

In the 1950s and 1960s, there was a moment when Hollywood invaded Italy and the Roman tailors Brioni, Carlo Palazi and Bruno de Angelis flourished, dressing such movie stars as Gary Cooper, Henry Fonda, Clark Gable and Tyrone Power. But when the movie business fizzled, so did the custom clientele. Industrially produced clothing, and the growth of fashion as big business, took hold in the 1970s and eventually brought about the rise of designers like Armani, Gianni Versace and Gianfranco Ferre.

Since the concept of designer clothes is relatively new in Italy, Italian men, and many women, with any pretension to taste or style employ a custom tailor. The most famous of these is Caraceni in Milan, who has made suits for Gianni Agnelli and Ralph Lauren.

Besides the homegrown talent, Italy has also drawn a Who's Who of international designers who are counting on Italian know-how to give them a quality product. The collections of Alexander McQueen and Helmut Lang, who presented a "luxury" line in Paris last week, are produced by Gibo. The Americans Calvin Klein and Donna Karan, to name only two, work in Italy. In January, Karan showed her men's collection in Milan.

"Italy," she says, "has a deep respect for the artistry of fashion. The tailors, the fabric mills and the factories are the best in the world and I've relied on them from the day I started my company."

JIL Sander is another designer who has worked in Italy since the beginning. Sander wanted to make exquisite tailored garments for women, and she says that Italian skill gave her the opportunity not only to experiment with new kinds of construction and cutting, but also to collaborate with high-end menswear textile mills to produce suiting fabrics light enough for women's apparel.

For women, tailoring has come to mean clothes that are effortlessly adaptable to their lives. Women have come to appreciate the cut of a jacket or a pair of trousers as much as men do.

"Good tailoring is a luxury which permits a person to be above fashion," says Alberto Biani, who is known for his tailored clothes with an edge. "To wear a classic, well-cut jacket with a pair of hip trousers is a contemporary way of dressing that avoids being a slave to fashion. This concept of modern tailoring offers clothes which are strong and never go out of style."

That idea is reflected in Biani's spring advertising campaign, which was shot by Bob Richardson, a photographer whose haunting images helped to define the '60s. The campaign features the model Milla Jovovich in a jacket, white shirt and low-slung pleated trousers.

Biani is just one of a handful of designers who are giving a spin to classic tailoring.

Alberto Aspesi, for example, is something of a fashion phenomenon in that he does not consider himself a designer, does not give interviews and does not present fashion shows. The appellation that Aspesi likes best is that he is a "businessman with style."

In Italy the Aspesi label has a cult following, and women especially like his sober, pure tailored forms in new and unusual fabrics. Aspesi's credo is: The simpler a shape, the stronger its impact.

On the other end of the spectrum is Carol Christian Poell, an Austrian who lives and works in Milan. He offers clothes that are avant garde in concept, but that rely heavily on precision tailoring. Although Poell designs only for men, his jackets, trousers and coats are eagerly sought after by women.

Although fashions come and go, fine tailoring is integral to Italian culture and will, therefore, always play an important role in this country's fashion history. For the rest of the world, meanwhile, the clothing produced here will continue to be associated with richness, luxury and the best that money can buy.

RICHARD BUCKLEY is a fashion and lifestyle writer based in Paris.



Young U.S. Designers Savor the Joys of Italy

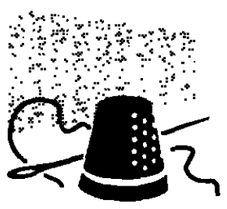
Financial Backing and a Quest for New Ideas

By Sarah Mower

MILAN — What is this raging love affair between Italy and American designers? The head count of American talent in Milan rises every season: Tom Ford is at Gucci, Rebecca Moses designs at Genny, Richard Tyler just debuted at Byblos and Lawrence Steele is cutting a name for himself independently in Milan.

The Italian-American connection may seem extreme distance-wise, but America has enthusiastically assimilated Italian tastes and products for years: think of café latte and the fact that 20 years ago, American women were the first to jump into Giorgio Armani executive suits.

American designers and Northern Italians *relate*. They share an instinct for functional luxuries honed to ease lives that are now almost as speedy in Milan as they are in New York or Chicago.



"Milan is not unlike New York," says Sara Kapp, who works with Lawrence Steele. "It's the industrial quality, and physically it's small, like Manhattan. Creative business people get things done here. And people are particularly generous and enthusiastic about welcoming Americans."

Perhaps the only surprising thing about the influx of American designers into Italy is that it didn't happen before. Since World War II, a whole generation of designers stayed in America, needing only to service the domestic market.

Now the market is global, and young Americans, unable to operate at home, have discovered that the source of all beautifully made, brilliantly distributed fashion is Italy.

The Gucci paradigm says it all. The particularly Italian story of how an American designer revived a declining brand has set every left-behind moneyman in the European fashion industry scrambling to copy the formula.

But Gucci's climb back from its 1993 bankruptcy was a long haul, a high risk and only happened because of an act of faith on the part both of Tom Ford and Domenico De Sole, the Italian CEO.

De Sole was raised in Rome, educated at Harvard Law School and ran Gucci in America for eight years. More important, he never lost his native instinct for the supremacy of a quality product that can only be made in his country. If any one of these modern Italian ingredients had been different, Gucci might never have gelled at all.

De Sole is not the only Italian fashion executive with a long-term vision. Around the turn of the decade, others also began to lock onto the idea that simple American sportswear projected by marketing-smart, English-speaking individuals would be the key to future global sales and communication.

For one, the manufacturer Donatella Girombelli — a great bellwether for changes in fashion direction — hired Rebecca Moses, a young New Yorker, to bring a minimalist look to the Genny line.

Since 1973, Girombelli has channeled every successive trend from power shoulders to pouffe to plain cashmere knits.

At the appropriate times, Gianni Versace, Claude Montana, Christian Lacroix and Dolce & Gabbana have been hired to beat up her product.

Tyler showed the perfect example of the Italian technique for Byblos last week: a collection that processed current ideas from Gucci and Helmut Lang to make them accessible to a pan-American, transglobal customer.

Girombelli said, "I like to keep my eyes open. I need change. And Americans understand the real meaning of fashion now — not for the catwalk, but for making business. Their understanding and our capabilities in quality and doing things properly makes a beautiful marriage."

Another protagonist is Gilmar, owned by the Gerani family. In 1993, Giuliana and her son, Paolo, scouted New York. They chose their moment well. New American designers were just emerging on a surge of MTV fame and crashing into the realization that financial support and quality production in the United States were virtually impossible to find.

Paolo Gerani, at 33 part of the same generation as Marc Jacobs and Anna Sui, says: "We were looking for fresh air. There was a depression in Europe, and no ideas, but we saw U.S. designers had the best interpretation of simple streetwear."

Sui was in Los Angeles, consulting an astrologer who assured her she was about to have a new job. "Then I had this mysterious phone call from these people, and I got such a good feeling from it I got straight on the plane to Italy to talk to them."

Sui tried out by consulting for the company. She liked the relationship and licensed her name to design "Sui by Anna Sui." Now for fall Gilmar will launch every designer's biggest bid for commercial success: a jeans line, supported by an advertising campaign shot by Steven Meisel.

Sui says working with an Italian company is "the biggest luxury."

"In New York," she added, "I'm only just managing to finance my own label, and we're so limited in people and resources I have to check everything, including who puts out the trash. Gilmar has someone in charge of buttons."

She contrasts Italian and American manufacturing standards starkly. "In Italy, it's the most rewarding thing to go to little factories that can, say, still do the most beautiful knitwear stitches on machinery that has been there for 80 years — machinery that hasn't been thrown out or sold to the Orient long ago. There's touches of that left in America, but mostly factories have been sold two or three times to bigger corporations, or they aren't even manufacturing in this country any more."

Trans-Atlantic designing may be the nearest-perfect answer for both American designers and Italian manufacturers, but what about the killer air miles?

Sui and Jacobs insist on staying plugged into New York, their energy point, while assistants do the shuttling with Gilmar's samples.

Tyler, however, is figuring out how to live between bases in New York, Los Angeles and Ancona.

Meanwhile, Rebecca Moses, who has her own label of deeply luxurious cashmere as well as her job at Genny, and Lawrence Steele, once of Prada and Moschino and a promising independent, have given into their very good fortune and settled in Milan.

America's loss is Italy's gain.

SARAH MOWER is fashion features director of Harpers' Bazaar.



Moore/Thomas

Fall 1997, from the top: Lawrence Steele's fringed dress and plaid wrap; Iceberg's Lurex sweater and "crocodile" skirt; Genny's tailored pantsuit.

In a City of Traditions, Shunning the 'Message'

Washington Women Feel Belittled by Froufrou

By Robin Givhan

WASHINGTON — The occasion, not too long ago, was a fancy, but intimate, luncheon welcoming the young designer Heidi Weisel to Washington. A handful of women, her best customers and some prospective ones, were seated around a table discussing fashion trends. Weisel's colleague wondered what the Washingtonians thought about the disappearance of pantyhose from the runway. Would they ever *not* wear hose?

It must have been the gasp heard around the Beltway. Baby boomers and matrons alike shook their heads in dismay. If a woman were to consider herself dressed appropriately and professionally, pantyhose was an absolute requirement.

In matters of fashion, Washington is a city of traditions: Talbots coatdresses, St. John knits, Ferragamo pumps, Chanel handbags, Oscar de la Renta luncheon suits, Hermes scarves and pantyhose regardless of the heat or humidity.

Without fail, women emerging from Washington's subways have prepared for their workday by dressing in skirts that fall to a rather dowdy length about three inches (8 centimeters) below the knee.

There are exceptions, of course. There are women who arrive at their offices dressed in chic Jil Sander trouser suits or sleek Dolce & Gabbana floral slip dresses tucked under a silk sweater. But there remains an enormous contingent of women who at first glance seem to breathe life into the stereotype that Washington women are unconcerned with fashion.

How far from the truth.

In fact, Washington women are deeply concerned about fashion. They worry that fashion belittles them and treats them not as working, intelligent adults but as decorative ornaments. They are concerned that the industry tries to impose its rules without a thought to women's needs. And mostly, they worry that fashion does not aid them in their daily mission — which, among other things, includes being taken seriously as a person of authority and importance.

Washington revolves around power. Yet much of women's fashion is described with words like sexy, romantic or carefree. These are words that a woman rarely wants used to describe her workday persona. Women in Washington don't want clothes that speak and send messages. The wearers would rather be personally responsible for that.

Consider when, about a year ago, Hillary Rodham Clinton went off to meet the grand jury that was investigating Whitewater. The first lady wore a coat that had been in her closet for many years. It was a full-length black swing coat with gold trim on the cuffs and an abstract, art deco-style pattern on the back.

Before she had even given a word of testimony, folks began talking about the coat and about how the back of it was adorned with a dragon. What did it mean that she had chosen to wear such a threatening coat to the hearing? What was she trying to say? Is she portraying herself as the dragon lady?

There was no dragon. But that's what some people saw when they looked at the decoration on her coat. So for good reason, Washington women don't like flashy trim. They don't like anything too arty that could be misinterpreted.

Since a woman can't get rid of the clothes, a lot of women, particularly political ones, try to rid their clothes of anything too attention-grabbing and fashiony. Washington's one industry, government, dominates the city's tempo, tone and style. Young women follow the lead of their peers. So it is not uncommon to see women in their 20s dressed in the bow-topped Ferragamo low-heeled pumps favored by upper management matrons. Evening dress tends to be just as conservative because in Washington, a party is rarely simply an occasion on which to socialize. Parties have agendas and goals.

One of Donna Karan's burned-out velvet frocks might be wonderfully erotic and sensual, but it could be a distraction if a woman plans to spend her evening talking policy over drinks with heads of state.

But the current trend of minimalist matte jersey gowns has been embraced by Washington. In these dresses, women find that they can look feminine as well as sophisticated. And the design team Badgley Mischka has made great inroads in the Washington social world with their glittering evening dresses. (Sequins are O.K. in Washington because they are a traditional style of formality.) The dresses are form-fitting but mostly covered up. More importantly, some of Washington's top socialites, such as Buffy Cafritz, have given the young designers the nod of approval.



Twentieth Century Fox

Michelle Pfeiffer's take on career chic as an architect in "One Fine Day."

WOMEN in Washington demand a lot from fashion. It has to be comfortable, practical, attractive, distinctive, appropriate, appropriate, appropriate. Most often, fashion fails them. And so, they pass on fashion and go in search of uniforms.

"The government is about a sort of military sensibility, about conformity," says Catherine Lippencott, author of "Well Rounded," a new style guide aimed at plus size women. Lippencott grew up in Texas, worked for years in New York and now lives in the heart of official Washington — Georgetown.

"Women here don't want to rock the boat," she says. "I think they want to blend in."

In contrast, she says that women in New York are trying to put on a little show. "On Madison Avenue, it's a runway show. They want to show how power, money and fashion are all connected," she says. "They've got to be there in equal thirds."

In Washington, power and money rarely are expressed in fashion. Those with the most power in the capital are not necessarily those with the most money or the greatest fashion sense.

Will Washington women ever buy a new fashion? Perhaps, when it leaves the cutting edge to become more mainstream. They'll buy it when it no longer is shocking, but simply is new.

ROBIN GIVHAN writes about fashion for The Washington Post.

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FASHION / A SPECIAL REPORT

Denim and the Italian Connection: Couturiers Make Their Mark on Jeans



Pat McColl

Above left, from Christian Lacroix's Jeans summer collection, four denim-based outfits. Above, marble-patterned jeans from Dolce & Gabbana.

By Pat McColl

PARIS — While three of the newest boutiques here have two things in common — Italian origins and a proclivity for denim — that is where the resemblance ends.

Denim and that Italian connection also link Christian Lacroix, the first French couturier to put his signature on a jeans line.

Si, which opened at the end of January at 52 Rue Etienne Marcel, emphasizes secondary lines of top Italian names: Gianni Versace Jeans Couture, Gianfranco Ferre Jeans, J&Ans by Dolce & Gabbana, D&G and Exte. All are manufactured by the Italian firm Ittierre.

A few blocks away, at 26 Rue de la Reynie, Diesel is the first Paris boutique for the $380 million Italian denim company whose specialties are jeans and workwear.

The Replay Store Passy, at 1 Passy Plaza, like Diesel, opened in December. The shop is headquarters for a style it characterizes as *branché et décontracté*, or hip and relaxed, for men, women and children. Everything in the store has a Replay label.

For Si and Diesel, the shop openings signal a renewal of interest in the Place des Victoires and Les Halles areas, shopping meccas of the early to mid-1980s.

"You can feel things are happening in this neighborhood again," says Gerald Didnik, manager of the Si boutique. He points out that Marithe and Francois Girbaud have just reopened at their former location a few doors away. There's a new jewelry boutique, Doch é Vana, at 32 Rue Etienne Marcel, plus Patrick Cox at 62 Rue Tiquetonne and Joseph, just down the block.

At Si, light pours into the two-level, 280-square-meter (3,000-square-foot) store. A curving pale wood staircase, outlined in stainless steel, joins menswear on the main floor to the women's and accessories areas upstairs.

"Sure, we have jeans," Didnik says. "But they are jeans that don't have anything to do with 'jeans.'" He pulls out a pair of buttercup-yellow trousers printed all over with tiny palm trees from Versace Jeans Couture and a honey-colored denim blouson encrusted with eyelet embroidery from J&Ans by Dolce & Gabbana. Most of Si's jeans have stretch added to the fabric.

From the D&G collection, a beige linen and viscose pantsuit, the jacket in crunchy lace, is a favorite of Madonna's. Early best-sellers with both men and women are the cropped sweaters with Dolce & Gabbana intarsias.

At Diesel, shop personnel said they knew things were picking up when members of the French football team stopped in to buy jeans.

While the Diesel label is on other pieces of clothing, it's the jeans that everyone wants, especially the models for rollerblading or skateboarding or the newest menswear style, "The Fank," a re-working of the mid-1970s flare-legs.

Replay, part of the Fashion Box group, was founded in 1978 and originally just made 1950s-inspired shirts. Jeans were added in 1989, and by 1990 the company was selling a million pairs a year. Current sales are around $171 million.

The Replay store in Passy, along with the clothes, which range from the ubiquitous jeans in a paint-box array of colors to sophisticated separates, there are dolls dressed in miniature Replay outfits, Replay baseball caps and Replay Café tableware printed with the Replay logo.

Given the conservative reputation of the area, the boutique manager said she wasn't sure what clientele the shop would attract when it opened three months ago. Now she describes Replay shoppers as everyone from the "with it" 14-year-old to her mother.

For Christian Lacroix, the philosophy behind the couture house's jeans collection is to reach a bigger public and to take a couture approach to simple fabrics like denim or cotton patchworks. The jeans line, now in its third season and showcased in his boutique at 2-4 Place St-Sulpice, is produced and distributed by another Italian firm, Gilmar.

PAT MCCOLL is a Paris-based journalist who specializes in shopping and fashion topics.

Insatiable Appetite of Handbag Addicts

By Roger Tredre

LONDON — What's up with handbags? The women who shop can't get enough of them. Handbags are like shoes. People develop obsessions about them. Right now, half the fashion world seems to be sharing that obsession.

I sought enlightenment from shoppers on London's Sloane Street. Caroline Fuller, 36, was carrying a classic bamboo-handled Gucci bag. "I suppose it's an addiction," she admitted. "A great bag makes you feel real special."

Even journalists have abandoned their usual practiced cool. At last month's shows in London, front-row editors played spot-the-bag as enthusiastically as they noted the clothing trends on the runways.

Lulu Anderson, fashion editor of the Daily Telegraph's Saturday magazine, is the handbag buyers' Imelda Marcos who bought shoes like the rest of us buy cookies. At the last count, Anderson had 100 handbags in her wardrobe, most still primly wrapped in their original boxes and tissue paper. But you might want to add a couple more to that number by the time you read this.

Her favorite purchase? A tiny white patent leather Gucci bag, bought in a thrift shop. "I hate going out without the right bag," says Anderson. "It's like having scuffed shoes. I feel wrong."

Most women know how she feels. The right handbag can transform the simplest of dresses into something special. The British designer Bill Amberg, who is producing a new collection of shimmer suede evening bags for the fall, goes further. "It's a subliminal thing. It's about silhouette and about touch. Bags are very tactile."

Amberg's compatriot, Anya Hindmarch, also plays up the sensuality: "It makes you feel sexy and feminine. I get a real buzz out of unwrapping a new handbag, sitting there like a gem on a bed of tissue. It beats chocolate every time." Handbags might go out of fashion, but they always fit the "wearer." Handbags are a size-free zone. This is cause for celebration in an era when size-12-plus women tend to feel neglected by the cutting-edge designers.

The more expensive, the better. Exotic materials are in demand again, ranging from ostrich to lizard and crocodile. The motto is: If it moves, bag it. At London Fashion Week, Bella Freud's witty handbag adorned with a squashed faux-leopard, complete with free-hanging tail, took that motto to its logical conclusion.



These days, it is never too early to acquire a handbag. Louisa Barham, head of press relations at Hermes's British subsidiary, has her eye on a miniature 15-centimeter (6-inch)-navy-blue box calf Kelly bag for Annabel, her eight-month-old daughter. "Well, maybe I'll wait for her second birthday before I give it to her."

It might take that long for the bag to arrive. Waiting lists for the most coveted bags at the big name luxury goods houses extend to several months. Back in the early '90s, when the Prada nylon bag boom was in full swing, I tried buying one in Paris for a friend and was advised to fly to Milan.

FASHIONS in handbags are moving faster. For much of the '80s, choosing the right handbag was a straightforward task: you simply bought yourself a Chanel quilted bag with a chain handle, even if the acquisition entailed a mortgage extension on your house.

By contrast, styles have been zipping through at an energetic pace since the mid-'90s. The short-handled bag, elegant and ladylike in a traditional sense, sold well last year and is still a winner. But big practical bags, such as shoppers, are also making a comeback. Other trends to watch: tortoiseshell handles, reptile prints, Chinese silks, and little evening bags adorned with intricate beading. Or how about Chanel's metal mesh bags with plastic-bubble pockets?

Leading the bag pack are Prada and Gucci, still by far the most influential names in accessories. At last fall's Mipel, the leather goods trade show in Milan, every second stall displayed a near-copy of Prada's monochrome tones or Gucci's bamboo trims.

Revenues for leather goods are showing phenomenal increases at Gucci. In the third quarter of 1996, they jumped 95 percent year-on-year to $129 million — outpacing all other product categories at Gucci.

Domenico De Sole, president of Gucci, said only shoes — that other great fashion obsession — came anywhere near matching the performance of leather goods.

French houses Hermes and Louis Vuitton are also on a roll. The biggest seller at Hermes, the £2,000 ($3,200), 32-centimeter box calf Kelly bag, is rarely seen on the shelves; waiting lists worldwide of three months or more instantly swallow up all available production: the list in London currently has 120 people.

Louis Vuitton, owned by Bernard Arnault's LVMH (Moet Hennessy Louis Vuitton) group, anticipates a surge in demand following the arrival of American Marc Jacobs at the design helm. The company's largest store worldwide is slated to open next fall in London's New Bond Street.

Smaller specialist designers have benefited from the rise of the luxury goods houses. Anya Hindmarch, who has a range of seductive asymmetric shapes ready for next fall, notes: "Prada and Gucci have been good for us all."

The shoppers on Sloane Street certainly agreed with that.

ROGER TREDRE is a fashion-features writer on The Observer.

Unisex Revisited or Growing Up in '90s

By Hilary Alexander

MILAN — In the hot, heaving, clubby throng of a store opening in London, a tinkling hand reaches over my shoulder to snag a canape. The nails are painted metallic blue, the fingers ringed in Celtic silver bells, the wrist encircled with the fluffy, pink cuff of an angora sweater.

Is it a boy? Is it a girl? Who knows? Androgyny is the latest buzzword for the '90s and unisex is the sex that sells. The opening is for Browns Focus, in hip South Molton street. The store is the brainchild of Caroline Collis, daughter of the Bursteins, the family behind Browns, perhaps London's most famous designer label boutique.

There are no separate menswear or womenswear departments in Browns Focus. Everyone chooses from the same rails stuffed with the no-frills, no-fuss T-shirts, lean, flat-front trousers and T-shirts that don't separate the girls from the boys.

There is the new jeanswear line by the Austrian Helmut Lang. From the YMC label (You Must Create), fronted by Fraser Moss, there are the urbanwear streamlined pieces in rubberized canvas and cotton.

There is Hysteric Glamour, the ultra-kitsch Japanese label from the designer Nobuhiko Kitamura who makes T-shirts into a new means of communication: Lilly Pulitzer's iconoclastic Palm Beach Chic line; and Evisu, inspired by the American icon Levi Strauss, a potent clash of Japanese desire and American junk culture in pure indigo-blue handloomed denim. Jeans cost £250 ($400); being hip, young and urban in the New Millenium sometimes requires a certain degree of "old money."

The mood has for some seasons been personified by the "no sex, we're British" attitude of Britpop icons like Jarvis Cocker of Pulp, Suede's Brett Anderson and boy-meets-girl rockers Damon Albarn of Blur and his partner, Justine Frischmann of Elastica. It is the leitmotif of all those Calvin Klein ads and it has spread like a computer virus into the music-media mainstream.

When Meg Matthews, girlfriend of Oasis kingpin Noel Gallagher, turned up to watch Patsy Kensit model for Ben de Lisi at the recent London Fashion Week, she wore a "Union Jack" T-shirt by Stella McCartney with red and white motocross leathers.

At the showing by People Corporation, the aristo-with-attitude Iris Palmer and the New York actress Chloe Sevigny, hand-in-hand, played the "His and Hers" roles to perfection. Iris wore a dandy-tailcoat; Chloe, the roller blading street waif-turned-screen-star, a tattered "slut" dress. The "Pretty Boy" male models, with raffish page-boy haircuts, wore pink velvet suits.

The latest ad for Kenar sportswear, blown-up on the sides of New York buses, shows supermodel Linda Evangelista in a white singlet, about to kiss a mirror male image of herself. Mick and Bianca revisited?

The current round of European ready-to-wear shows in Milan and Paris, however, are showing that designers while keen to cash in on the New Unisex, are clearly aiming at the customer who can remember getting glittered up to David Bowie's Aladdin Sane. In Milan, Dolce & Gabbana's clever cross-dressing mixed "His" pinstriped gangster suits and clerical coats with "Her" Dolce Vita furs and corset-dresses.

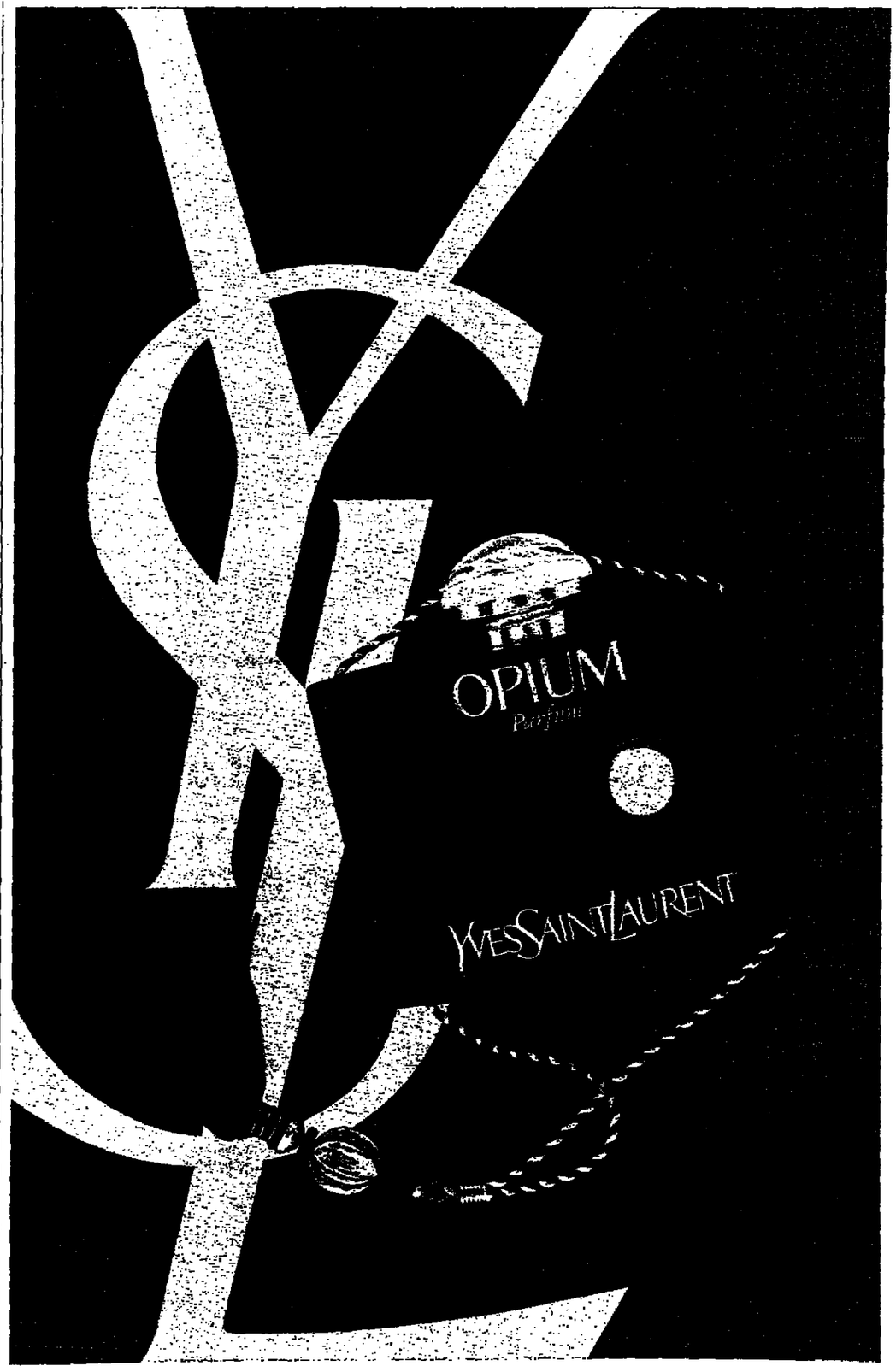
Miuccia Prada, at Prada, crossed heavy army khaki trousers with diamante-trimmed chiffon vests and, in Paris, Valentino opened his new VZone collection with the cold, hard concrete greys of inner city tower blocks, contrasting sharp, boyish drain-pipes with provocative, draped chiffon camisoles.

The two cutting-edge shows of the Paris season — John Galliano for Dior and Alexander McQueen for Givenchy — however, have majored on a woman who so enjoys being a girl, she may have no interest or time in sloughing it all off to look like the boy next-door. Spike heels are the footwear of the season; slash-front mini skirts have refocused attention on the thigh; waists are defined with a potent female sexuality no Harrington jacket can endow; tight drain-pipes define pert buttocks in contrast to the baggy shroud of combat trousers which could be concealing either boyish hips or Monroesque curves.

Like grunge, the thrift-shop, street-fashion mood of the early '90s which attempted to transmogrify into high-priced designer labels, there is a short shelf life in the fashion jungle for a look which can be too easily picked up in remnant bins or be based on an ex-boyfriend's cast-off.

Or just maybe, is '90s' androgyny the dividing line between the grown-ups and the growing-ups?

HILARY ALEXANDER is fashion writer for the Daily Telegraph.



Political Undertones: As Handover Nears, Hong Kong Designers Speak Out

By Jenni Meili Lau

HONG KONG — With the shift to Chinese sovereignty almost upon them, Hong Kong fashion designers are asserting their views on the handover via the catwalk. Jackets bearing the Chinese flag, transparent cheongsams and dresses covered with anti-colonial calligraphy are among their latest statements.

"I don't have very optimistic feelings about the handover," said the fashion designer Peter Lau. "I fear restrictions will be placed on free expression."

At the Hong Kong Fashion Week this year, Lau debuted his autumn/winter '97 collection, "A Winter Under The Red Flag," by sending six blindfolded, wrist-bound models strutting down the runway in Chinese flag-inspired outfits. One ensemble included a red jacket emblazoned with five yellow stars over a pair of blue flared pants artfully slit to reveal Red China flag bikini bottoms.

The collection represented a sense of "rebelliousness and progressiveness in what could be a time of suppression," said Lau.

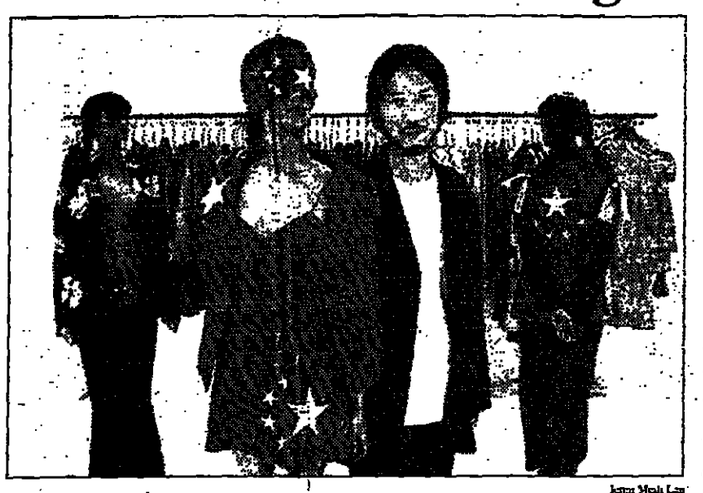
Lau's politically motivated designs stem from his own experience with censorship. At last year's fashion week, he displayed a line that similarly used the Chinese flag motif on an array of camisoles, undergarments and miniskirts. According to Lau, the Hong Kong Trade Development Council, coordinator of the biannual fashion event, "banned publicity photographs of the outfits and edited them out of the official video."

Winnie Hui, a spokesperson for the council, said, "We send out photos to the media that are technically O.K., and of course we edit the video so it will be of better quality. But we didn't intentionally leave out any specific outfits."

Lau maintains that his Chinese flag designs were intentionally suppressed because organizers feared that mainland officials would find them offensive.

"Being censored pushed me to be outrightly political this year — to express my concern that creativity might collapse after the handover," he said. "Last year I wasn't trying to be political. I just wanted to make a twist on what people feel about the Chinese national flag, which they associate with very powerful, cold and serious things. I wanted to give it a very feminine, soft and humorous feeling. But apparently, not everyone saw the humor in it."

Some local designers are already waxing nostalgic about pre-handover life. Pacino Wan, for example, fashioned a series of retro outfits ranging from skirts embellished with hand-painted flowers reminiscent of the 1960s and 1970s style denim outfits with red-stitched seams and pocket borders.



Jenni Meili Lau

The designer Peter Lau fears "a time of suppression" may be at hand.

"At this time, local people have a nostalgic feeling about Hong Kong in the good old days," Wan said. "They don't know how life here will change, so they find comfort in the past."

Another recent line of Wan's pays tribute to present-day Hong Kong. Using mass consumerism as his muse, he created a series of tongue-in-cheek designs that debuted at this year's fashion week. He unveiled a dress made out of instant noodle packages, a faux fried-egg cape and a full-length gown resembling a bottle of soy milk. He also introduced a full-length, sleeveless frock made entirely of pink rubber gloves, as an ode to Hong Kong's domestic workers.

Such idiosyncratic showpieces created a stir on the runway, but just how practical they are for ready-to-wear remains to be seen.

"When they get translated into retail, I'll have to make alterations and compromises," said Wan, assuring that ultimately his message will remain the same, namely that Hong Kong possesses an inimitable cultural identity.

"Local people don't say they are British or Chinese, but Hong Kongese," Wan said. "A lot of outsiders complain that Hong Kong has no culture and that local designers always get their ideas from Paris or Milan. But to find good ideas here is not hard."

After years of taking their creative cues from Western couturiers, native designers are increasingly looking homeward for ideas.

"Hong Kong fashions follow Milan, Paris and New York too much," said the designer William Tang. "But there is no point for Hong Kong to always follow Paris indicators." His recent collection features dresses, tops and pleated organza wraps printed with the calligraphic street graffiti of Tsang Tso-choi, 76, a local artist known as The King of Kowloon, who has been painting walls, lampposts and bridges throughout the colony for over three decades.

"Tsang's work is a street icon. It's something local people have grown up with," Tang said. "At first we hated it because it made our streets dirty and untidy, and then from that stage we moved on to appreciate his playful style of calligraphy and what he was actually writing about."

Though decidedly lighthearted in tone, Tsang's graffiti has been called "anti-colonial" because it describes his experiences under British rule; specifically how his family's land was confiscated by the colonial government.

By using Tsang's graffiti on his clothes, Tang hoped to highlight an aspect of local history he feels is often overlooked.

"I'm not saying that I'm pro-Chinese, but for a long time the British treated the Chinese here like second-class citizens," he said. "This is a part of history that people do not want to acknowledge anymore. From the Western point of view, things in Hong Kong will definitely be bad under Chinese rule. Of course, the Chinese handle things differently, and often disappointingly so, but we still have to carry on."

JENNI MEILI LAU is a journalist based in Hong Kong.

In Crowded Market, Retailers and Brand Names Struggle to Keep Ahead in Asia

By R. Jane Singer

HONG KONG — Designer-label fashion is still in big demand in Asia, but retailers are finding that the good old days, when simply bringing these products to a hungry market was enough, are long gone. Today, with an abundance of famous brands available, everyone has to fight hard for market share.

"Every designer and brand name wants their own identity in the region, but in the last three years development has happened too rapidly and the consumer can't keep up with all the new names," said Mini Pun, vice president of Club 21.

Retailers generally agree that Japan and South Korea show good prospects for future growth, as do Hong Kong and Taiwan. But all admit that right now, business throughout Asia is a struggle.

"Japan has gone through a tough period, but the economy is definitely improving and so are prospects for brand names," said Dorothy So, general manager for Bluebell, which imports and retails a long list of European labels including Christian Lacroix, Louis Vuitton, Anna Molinari, Wolford hosiery and Givenchy.

Bluebell is about to open a large Wolford shop in Japan that So says will be "a considerable investment," though she declined to give details.

Although Japan is often considered to be Asia's No. 1 market for luxury goods, South Korea is about to give it competition. A drastic reduction in import duties has opened the market for foreign goods and international brand names have rushed in. "Spending power is high and is improving," said Michele Tsoi, brand manager for Imaginex, which imports and retails such labels as Ferragamo, YSL and Haaro.

Roberto Dominici, managing director of Joyce Boutiques, predicted that the consumption of imported fashion in South Korea would grow by 20 percent to 25 percent in 1997. According to Matthew Kim, corporate planning executive at Shinsegae Department Stores, department store sales are expected to reach $1.05 billion, a 15 percent increase over 1996.

The British retailer Marks & Spencer is also confident about the market and is opening a new store in Seoul this year.

Despite the political uncertainty related to its position with China, Taiwan remains a lucrative fashion market, says Tsoi, who notes that "disposable income is high. There is always lots of money there."

Retailers are also starting to invest in Indonesia. With a population of 170 million, rapidly rising consumer income and an appetite for status labels, prospects look good.

But retailers complain that the customer base is still small and there are not many tourists yet. Nearby Singapore is a more important vacation destination and many wealthy Indonesians patronize its vast number of designer boutiques.

China, once all the rage with high-end and low-end retailers, is seen as more of a long-term prospect for luxury goods. The biggest success stories there are the mass merchants who offer regional brand names that are made in China and can therefore be sold at moderate prices. The brands that are entering the market are doing so with caution.

"We are expanding carefully," says Angelina Bleach of Lanvin, referring to the company's China plans. She says the French house is confident about its prospects because "the male customers are the main spenders there and we are strong in menswear."

One of the biggest challenges facing Asian retailers these days is the emergence of a "global market." As more people travel for business and leisure, they become savvy as to what is available all over the world, and what it costs.

"People know exactly what an item sells for elsewhere," So says, "and somehow they will always manage to buy it from the place where the price is the cheapest. Today the consumer is very smart and very much in control of the situation."

Bluebell, whose annual sales exceed $400 million, is trying to work more closely with its suppliers to get better prices, "ones that are in tune with those in the products country of origin," So says.

Another obstacle for retailers is building brand awareness and prestige. "People in Asia tend to follow fashion rather than lead it," Tsoi says. "They go for whatever is hot at the moment, regardless of whether or not it suits them."

To make a brand succeed requires a tremendous investment in advertising and promotion. "We have to be careful when considering new brands. We have had to turn down offers from less well known labels because we felt the promotion investment would be too high," she explains.

DANIEL Kwan, regional managing director of Carsac, which represents Etienne Aigner, Fratelli Rosetti and Mandarina Duck, among others, agrees. "We spend a lot of time and effort on advertising," he says. He is banking on China, particularly, for sales growth. "Guangzhou can receive Hong Kong television broadcasting and publications so our promotional efforts can serve two markets," he says. Carsac has only brought the Etienne Aigner brand into China so far.

Traditionally, retailers have established a brand's image by opening free-standing "concept shops" for each label. As retail rents have soared, the risks of relying on one brand to pay the rent has become overwhelming. Nonetheless, many retailers feel that this is essential to successfully entering a market.

Agnes B is taking this approach in Shanghai, says Donald Yau, brand manager for the French maker of women's apparel. "We are not entering Shanghai for the sake of profits, but rather to launch the Agnes B image," he says.

Calvin Klein, which has started on an aggressive expansion drive in Asia, plans to have one to two free-standing stores in all of Asia's capitol cities, says David Ketchum, senior vice president of marketing and communications. The company's goal is to set up 200 stores in Asia by 2000.

Despite the competition and high costs, more labels keep pouring into the market. "We are planning significant expansion in all these markets," said So. "We have to be aggressive, in terms of opening shops, just to survive. It is a defensive tactic."

R. JANE SINGER is based in Hong Kong, where she is editor in chief of the newspaper Inside Fashion.

Runways Aglitter as Gems Make Sparkling Comeback

By Vivienne Becker

LONDON — Fashion has had an awakening. After their recent blitz on glitz, designers have seen the light and it is coming from the sparkle of diamonds, the luster of pearls, the gleam of gold. Jewelry is back on the runway, only this time it's for real.

Chanel, the house that "invented" costume jewelry, showed fine jewelry with couture for the first time, adding buttons of diamonds and pearls and an 18-carat gold mesh hat by the British designer Slim Barrett.

Oscar de la Renta at Balmain flaunted breathtakingly valuable pearl necklaces and studded jackets with buttons of shimmering South Sea pearls, the "couture" of cultured pearls, in creamy white, steely grey and exotic black. It is a marriage made in heaven, a precious jewel, the ultimate accessory, worn with the world's most exquisite clothes.

There have been other attempts to sprinkle gems along the catwalk, notably John Galliano's liaison with Van Cleef & Arpels and Marc Jacobs celestial scattered diamonds a few years ago, but this year's gems and pearls form a more integral part of the look.

It is curious that first along this glittering path was Chanel, the couturier who turned the jewel rules upside down in the 1920s, making fabulously faux jewels high fashion, high society essentials. But Coco Chanel loved surprises and would have delighted in this turnaround from the ridiculously pared-down look of the past few seasons to the sublime luxury of jeweled opulence.

This year, Chanel's couture was glazed with diamonds from their fine jewelry collection: the recreated 1930s Comet necklace, designed by Chanel herself, and luscious diamond camellia buttons and earrings created especially for the occasion.

There were simple strands of huge pearls and baroque pearl buttons. The legendary Chanel signatures, originally translated from real to fake, now cunningly converted back to the real thing.

Of course, there was a serious commercial consideration in all this: the imminent launch of a jewelry boutique in London and the promotion of Chanel's fast-growing fine jewelry collection. Yet, the timing is perfect for there is a huge upsurge of interest in real jewels.

Last year Versace crowned his flourishing but rather heavy-handed fine jewelry collection with an award-winning Medusa-head tiara; Antonio Berardi loaded his creations with Lalique glass jewels, their translucency echoing dematerialized, see-through fabrics. This season, Galliano piled on the pearls for an ethnic take on Elizabethan splendor, and Vivienne Westwood translated exotic flowers into monumental jeweled statements.



Moore/Thomas

Chanel's couture show diamonds.

Costume jewelry, too, is focusing on semi-precious stones. A glimmering new age of adornment is at hand.

VIVIENNE BECKER is jewelry editor of Harpers & Queen (U.K.).

Paris TV Station Switches On the Style

By Joseph Fitchett

PARIS — When Paris Premiere started televising live coverage of fashion collections three years ago, it seemed like a natural — a glossy magazine gone live.

"It's spectacle — a show, with personalities — and it fits our channel's image of showing what's creative and hot in Paris," says Alexandre Michelin, 32, head of Paris Premiere, a cable-and-satellite network that now reaches a million and a half homes throughout France.

In a sense, it was only a small stride to put the swing into the pictures. For years networks such as CNN have been showing clips of a few daring new outfits.

When Paris Premiere began live broadcasts of entire collections, fashion shows suddenly emerged as entertainment with broad appeal. In Paris, they have tapped into a swelling audience for high style, top models, MTV-like music, fashion photographers and all the celebrities who turn up at the shows.

Its presenter Marie-Christiane Marek is becoming as much of a star at the shows as CNN's style editor Elsa Klensch.

"Everybody loves it: viewers, designers — even buyers who can catch a show they missed by watching it on their hotel TV," Michelin says.

In that sense, it's local TV with ultimate style. The need for Parisian relations in order to put fashion on TV comes up frequently in a conversation with Michelin in Paris Premiere's funky headquarters.

Fashion is at the core of expanding national coverage for Paris Premiere, whose investors include Canal Plus, the successful French pay-TV cable. Paris Premiere now contemplates international syndication of its programs and perhaps a slot in a cable package in the United States.

But Paris Premiere's success has not answered questions about the broader future of televised fashion. In the United States, a few pioneer cable programs such as Video Fashion and Fashion File are half-hour shows on specialized channels. As yet, no one has found the formula for magnifying the Paris runways to a major international offering of electronically delivered fashion.

To make high fashion into a global info-entertainment, the adventures of the catwalk need to be honed to professional norms as demanding as televised sports events. And if fashion shows can become instantaneous worldwide auctions for viewers, can Internet be far behind?

Michelin thinks fashion television is the wave of the future, and he brushes aside the objections of the Confederation of Haute Couture in Paris. Last year the confederation objected strenuously — and to no avail — when Saint Laurent put an entire collection on Internet simultaneously with the appearance of the first model under the lights in Paris.

"They say they worry about copying, but television is not the source of the problem," Michelin said, adding that Paris Premiere nonetheless complies with the veto against extensive screenings by some houses, including Dior and Chanel.

But the couture confederation's worries also reflect a larger concern about the institution of the collections. The confederation wants designers to limit immediate publication of their work to a fraction of any single collection. Otherwise, it fears Paris will lose the impact it has in showing original designs that can only be viewed at the shows.



Jean Bebert

Alexandre Michelin

Already, the Internet is turning out to be a fabulous tool for copiers, relaying pictures of new French designs to sweatshops, say officials at the National Center for Fighting Counterfeits in Paris.

Internet providers are also organizing virtual fashion shows together with shopping emporia, style updates and calendars of events. Picture quality, graphics, choices — all seem medium cool on most sites.

Revenues so far come mainly from advertisements for perfumes and other accessories. Similar ad revenues are expected for televised fashion if the genre takes off.

The opportunities seem immense. Costs for television fashion are low, interest is rising. But somehow, designers are nervous with camera crews in a way that they no longer are with fashion magazine photographers.

"The fashion world has always been cautious to a fault with TV crews, perhaps because they are not as well introduced socially as still photographers," says Tom Woods, an independent producer with offices in New York and Paris.

Images obtained from unscrupulous photographers are as useful to Internet pirates as tape, but the reflex against TV crews is strong.

"We really operate on trust with the designers," Michelin explains. "If an accident happens on the runway, we show it live, but we wouldn't pass along the footage to anyone else without the designer's permission."

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

Stock Market Lures Luxury Labels

Continued from Page 19

brand." The industry, especially Gucci, learned from those mistakes, making them the hot investment properties they are today. The key has been for company founders to relinquish control to managers better suited to running a large business.

"You often have individuals from a family with a controlling stake but management is delegated to professionals," Magnelia said. "Brands are focusing on their own stores, rather than department stores, licensees are much more limited and the agreements stricter, personnel are better, marketing, logistics and merchandising are more sophisticated."

The employment of a layer of professional management generated interest among investors who had just recently witnessed their value in expanding another industry famous for creative and sometimes eccentric entrepreneurs.

"A radical change took place from the late 1980s to mid-90s. Previously, most designer names had stayed small and self-funded, and most institutional investors didn't want to touch them under any circumstances," explained Malcolm Newbury, an independent management consultant specializing in fashion. "That culture changed dramatically because of the willingness of equity investors to deal with expansion plans along the lines of the computer industry in the 1980s. They decided they could pursue the same path."

But at a certain point, which may be near, those paths must diverge.

Everyone may have a computer one day, but not everyone will have a Gucci bag or Tiffany brooch, or else the reason for having one will vanish. There is a danger that through the share offerings of the last two years, too much money has been thrown at an industry that by definition has limitations to its growth potential.

"You raise capital and you have to do something with it," remarked Gil McWilliam, a professor of marketing at London Business School. "You're buying a brand and paying a premium for it, so you have to recoup the premium by doing something with the brand. You might do rash things with it."

An example might be launching several new ready-to-wear lines and building not one but two huge stores on London's Bond Street in which to sell them, as the New York designer Donna Karan is doing. Her company's shares have been trading at less than half the price they were offered at less than a year ago.

"Can Bond Street support two four-story-high Donna Karans?" Newbury mused. Wall Street is apparently answering in the negative: "The shrewd money has said they have gone one step too far, is my suspicion."

A report by Morgan Stanley, an investment bank, said that Donna Karan's new designs are promising, as is sales growth, but it estimates that earnings this year will be 80 cents per share, "our worst-case scenario." The problem is "the company's cost-control plan," Morgan Stanley's analysts say. "Note, we did not mention cost savings, which we believe will be impossible this year with all the projects the company has planned."

Gucci is in less of a rush, and so are its shareholders.

"Everywhere I go I explain our view of the company, how we decide to grow the brand to keep it exclusive and special, and investors have been very understanding," said Domenico De Sole, president and chief executive of Gucci Group in Florence.

Competition will increase along the way, no doubt, especially if Ralph Lauren, Dominguez, Valentino, Versace and others come armed with fresh millions from investors. Inevitably, some names will fare better than others.

CONRAD DE AENLLE writes about finance and investment from London.

Why Gaultier Is a Cut Above

Continued from Page 19

in Paris, its soul was in the cutting. That meant suits with shapely jackets and long skirts, mostly in black, but sometimes in checkered tweeds. There might be a nod to needlecraft in a tracery of basting stitches, or herringbone fabric lapped to show its selvage edge.

Yamamoto also showed how effortlessly he can cut it in high fashion, with a black jumpsuit plunging to a deep décolleté or a dress split at the side. The gentle fit of the clothes, the tendrils of curls, the soft makeup and the flowers made the show a poetic tribute to women — in a modern way.

For Christian Lacroix, all the world's a stage and women are players in his fashion drama. The mood of the show — before the first model appeared in her gypsy caravan of clothing — was expressed by the set, with its abstract furnishings silhouetted against a vibrant backcloth. Colorful? Yes! Yet more color to fight with fluorescent stretch arm and neck-bands; lime green hose; multicolored hair mesh; and (wait for it) metallic blue lips.

Lacroix is in a difficult position. He burst into couture 10 years ago when high fashion was totally uncool. But just now that couture and all it represents is at fashion's cutting edge, Lacroix seems to think that, with his ready-to-wear, he must keep shaking the kaleidoscope.

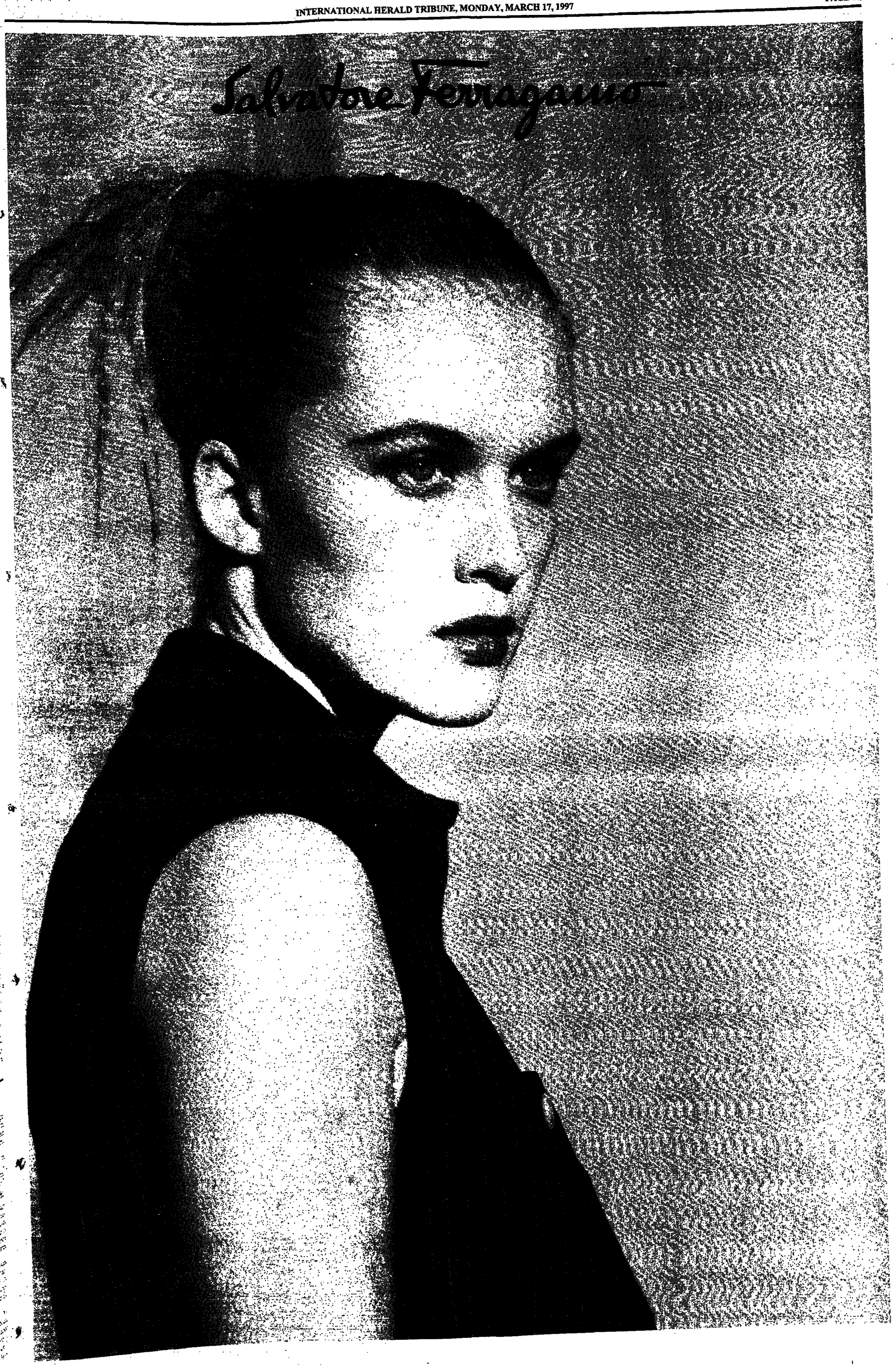
His Saturday show, presented simply on young models, included his junior lines and contained delicious things, from the black satin jeans with lace insinuated at the hips, through the coat with a flourish of painterly brushstrokes to graceful, lacy dresses. But hardly an outfit could have walked off the board-walk runway without glowing like a radioactive particle on the street.

Even if it is Lacroix's aim to make women look different, strong individual pieces — rough-textured knits in sweet color or an embossed-suede wrap skirt — disappeared into a cacophony of color and confusion. The eyes ached from a magpie search for the fashion jewels.

Vivienne Westwood failed to fill the big stage at the Paris Lido, and her collection was a sorry sight. A designer who used to give fashion a tweak of wit and naughtiness has tumbled into a pit of historicism — all flattening Tudor bodices and skirts so lumpen that Henry VIII would have beheaded the court dressmaker. To camp that up, the models flashed bras and garter belts among the tapestry tailoring, and flaunted a few of Westwood's old ideas. It wasn't funny, or funky. It was dire.

So was the screech-and-scream live music at Balenciaga, where half the audience fled from the assault. Designer Josephus Thimister sent out hefty, manish suits in moleskin; and elephantine pants with white satin shirts and matching ties. It seemed a bald and pointless statement, when the couture refinement that Balenciaga's name personifies is the creed of fashion's real avant garde.

SUZY MENKES is fashion editor of the International Herald Tribune.


Salvatore Ferragamo

Relegation on Minds Of Teams in Italy

Compiled by Our Staff From Dispatches

The battle against relegation in Italy's top division is far fiercer than the fight for the title. On Sunday, it was firmly in the spotlight because Juventus, Fiorentina and Inter Milan had moved their games forward to Saturday or Friday to prepare better for games in the three European club cups during the week.

Cagliari, which has flirted with danger almost every season since returning to the top flight in 1990, hinted at another escape by recovering to beat Italian Cup finalists Vicenza, 2-1.

Gustavo Mendez, a defender, put Vicenza in front with a first minute free kick, but Cagliari equalized with a scorching free kick from Roberto Muzzi in the 36th minute. Sandro Tovalieri's 49th minute goal, and the 64th minute dismissal of Mendez, helped Cagliari to three points.

To avoid the drop, Cagliari must catch Piacenza, which is three points ahead of it.

Piacenza, the only club in multinational Serie A to spurn foreigners, earned a 0-0 draw at Verona.

Perugia, level on points with Cagliari, took the lead after three minutes at Udinese, only for Marcio Amoroso to level the scores with a 21st minute goal.

Perugia's Marco Materazzi was sent off in the 75th minute. Almost at once, Thomas Helveg scored the winner, which left Perugia trailing Cagliari on goal difference.

The bottom-of-the-table Reggiana lost, 3-0, to Sampdoria. The victory kept them in the hunt for second spot in Serie A and a place in next season's Champions league.

It has little chance of finishing in first place. Juventus moved closer toward its 24th league title with a 3-0 victory over Roma on Saturday.

ENGLAND Chelsea hammered Sunderland, 6-2, on Sunday to improve its chances of playing in Europe next season while pushing Sunderland closer to relegation to the first division.

Chelsea went up by 2-0 with first-half goals from Gianfranco Zola and Frank Sinclair before extending their advantage with a third from Dan Petrescu six minutes after the interval.

Sunderland fought back with two goals in two minutes. But Chelsea, which had squandered leads at West Ham, Derby and Leicester, rallied. Mark Hughes struck twice in the last 12 minutes, and Roberto Di Matteo hit the sixth in the last minute.

EUROPEAN SOCCER

On Saturday, Liverpool lost ground at the top of the league when it drew, 1-1, at Nottingham Forest, which is fighting against relegation.

Liverpool's chief rivals all won. Manchester United, the leader, coasted to a 2-0 victory over Sheffield Wednesday. Arsenal struggled, but won at Southampton, 2-0, and Faustino Asprilla hit a hat-trick as Newcastle beat Coventry, 4-0.

NETHERLANDS John Bosman and Paul Bosvelt each scored twice Sunday as Twente Enschede buried FC Volendam, 4-0. But the third-placed team gained no ground, because all the other contenders won on Saturday.

PSV Eindhoven, the leader, beat needed a penalty to score against struggling Fortuna Sittard and won, 1-0. The match was memorable only for the sending off of Fortuna's Mark van Bommel — before he had set foot on the field.

The substitute was warming up on the touchline when the penalty kick was given. He protested vehemently to a linesman that the PSV forward Marcelo had been pulled down outside the penalty area.

SCOTLAND Rangers took a step toward a ninth successive league title with a 1-0 victory over Celtic on Sunday.

Brian Laudrup scored to settle a typically explosive encounter at Celtic Park and put Rangers eight points clear with six games left.

GERMANY VfB Stuttgart ended a remarkable week by blasting four goals past the leader, Borussia Dortmund, on Saturday.

Dortmund took the lead after eight minutes but Krasimir Blakov, a Bulgarian, converted a 44th-minute penalty, and the Dutchman Frank Verlaat, the Brazilian striker Giovane Elber and the Croat Zvonimir Soldo also scored as Stuttgart won, 4-1 and took its goal total to 13 in three games in the last eight days.

SPAIN Alfonso Perez scored his second successive hat trick Sunday as Real Betis beat Rayo Vallecano, 4-0, and closed to within six points of the leader, Real Madrid.

On Saturday, Atletico Madrid, the defending champion, lost by 4-1 at home to Valencia.



Mike Hutchings/Reuters

South Africa's Alan Donald appealing for the wicket of Australia's Matthew Elliott.

Aussies on the Rebound in 2d Test

Compiled by Our Staff From Dispatches

Australia fought back against South Africa on Sunday in the second test in Port Elizabeth.

Australia was bowled out for 108 in its first innings. But it bowled and batted well on the third day, closing at 145 runs for 3 wickets in its second innings.

The Aussies bowled South Africa out for 167 in its second innings, after South Africa had made 209 in its first innings.

Australia has seven wickets left and two days to make the 124 it needs to win the match, and the three-match series.

South Africa had started its second innings well, resuming Sunday on 83 for 0. Gary Kirsten fell to Jason Gillespie on 43. Then, Adam Bacher, on 49 and desperate to reach his 50, caused Jacques Kallis to be run out. Two balls later, Bacher himself went to a catch by Glenn McGrath, still without getting his half-century.

CRICKET ROUNDUP

After that, only Hansie Cronje, with 27, and Shaun Pollock, who made 17, managed to make double figures as Gillespie, Michael Bevan and Shane Warne tore through the South African batting order.

West Indies vs India Despite the early loss of Rahul Dravid, India continued to build upon its strong position Sunday to reach 219 for two against West Indies at lunch on the third day of the second Test in Port of Spain, Trinidad. Dravid's 57 lasted nearly four and a half hours.

Sri Lanka vs New Zealand Sri Lanka made a disastrous start to its second innings on the third day of the second test in Hamilton. Sri Lanka needed 326 runs to win, but the opening batsman, Sanath Jayasuriya, ran himself out while seeking a second run in just the second over. Sri Lanka finished the day on 20 for two.

(AFP, Reuters)

France Savors Victory at Home

Compiled by Our Staff From Dispatches

France romped to a 47-20 victory over Scotland to complete a Grand Slam in its last Five Nations match at Parc des Princes in Paris. It was the fourth time France had won all its games to earn the slam, but the first clinched on home soil.

Christophe Lamaison was France's top scorer in Saturday's game, and the Scots complained Sunday about his tactics.

France scored two tries in each half, and Lamaison scored 24 points with an almost faultless display of place kicking. However, the Scots officially complained about a tackle by Lamaison that left Craig Chalmers, the Scottish fly half, unconscious.

FIVE NATIONS RUGBY

In Cardiff, England beat Wales, 34-13, to win the Triple Crown — given to a team from the British Isles that beats all three of its other "home" nations during the Five Nations competition. It was England's fifth Triple Crown in seven seasons.

It was also the final rugby-union international at Cardiff Arms Park, which will be demolished at the end of the season and redeveloped for the 1999 Rugby World Cup.

Because of injuries, France played the whole competition without several key players. Yet it was far too strong for Scotland. Its backs cut through the Scottish defense whenever they ran with the ball. However, France handled the ball sloppily and wasted several scoring chances with fumbles.

France led by 26-13 at halftime. Abdel Benazzi, its captain, powered through the Scottish defense, ran straight over Rob Shepherd, the Scottish full back, and touched down near the right corner flag for the first try.

The winger Laurent Leflamand then scored in the same place, following a sweeping move sparked by full back Jean-Luc Sadourny and carried on by flanker Olivier Magne.

Lamaison converted both tries from near the touchline and also kicked three penalties. Sadourny kicked a drop goal.

Rob Shepherd replied with two penalties for Scotland and, just before halftime, Tony Stanger pounced when Sadourny dropped the ball and scored under the posts.

Alan Tait scored a try for Scotland in the second half after a neat pass by Chalmers, who was felled immediately by Lamaison. The Scottish rugby authorities watched videotapes and made their complaint on Sunday.

"The tackle was a tough one, but I don't think I committed any offense," said Lamaison.

Franck Tournier scored France's third try, diving over from close range. Then, Leflamand raced down the right wing and passed inside to Magne who galloped over the Scottish line.

Next year France will play at the new Stade de France, now under construction in the Paris suburb of St. Denis.

England followed the pattern it set against Ireland and Scotland, scoring most of its points in the second half. It played most of the first half in Welsh territory, but led by just three points at halftime.

(Reuters, AFP, AP, IHT)

SCOREBOARD

BASEBALL

Exhibition Baseball

FRIDAY'S GAMES

Pittsburgh 4, Cincinnati 2
Philadelphia 8, Texas 5
Toronto 6, St. Louis 1
Cleveland 12, Houston (ss) 4
Kansas City 13, Detroit (ss) 10
San Francisco (ss) 4, San Diego 3
Colorado (ss) 10, San Francisco (ss) 7
Chicago Cubs 7, Milwaukee 6, 10 innings
Colorado (ss) 7, Oakland 4
Seattle 12, Anaheim 5
Chicago White Sox 3, New York Yankees 1
Houston (ss) 4, Detroit (ss) 3
Montreal vs. Florida at Viera, Fla., ccd., rain
Los Angeles vs. New York Mets at Port St. Lucie, Fla., ccd., rain
Baltimore vs. Atlanta at West Palm Beach, Fla., ccd., rain
Boston vs. Minnesota at Fort Myers, Fla., ccd., rain

SATURDAY'S GAMES

Houston 7, Cincinnati (ss) 5
Montreal (ss) 7, Atlanta 3
Cleveland (ss) 10, Florida (ss) 7
Philadelphia (ss) 8, Chicago White Sox (ss) 7
Los Angeles 8, Baltimore 2
St. Louis 10, Boston 2
Philadelphia (ss)10, Chicago White Sox (ss) 8
Kansas City (ss) 4, Cincinnati (ss) 2
Minnesota 5, Pittsburgh 2
Kansas City (ss) 5, Cleveland (ss) 3
New York Yankees 10, Detroit 3
Texas 6, Toronto 4
San Diego 3, Chicago Cubs 2
Colorado 11, Anaheim 5
San Francisco 6, Oakland 4
Seattle 11, Milwaukee 5
New York Mets 9, Florida (ss) 5

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	47	17	.734	—
New York	47	17	.734	—
Orlando	35	28	.556	11½
Washington	30	34	.469	17
New Jersey	19	44	.302	27½
Philadelphia	17	47	.266	30
Boston	12	53	.185	35½

CENTRAL DIVISION

	W	L	Pct	GB
x-Chicago	56	9	.862	—
Detroit	46	17	.730	9
Atlanta	43	22	.662	13
Charlotte	42	23	.646	14
Cleveland	34	29	.540	21
Indiana	30	33	.476	25
Milwaukee	26	37	.412	29
Toronto	23	41	.359	32½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
x-Utah	48	17	.738	—
Houston	43	21	.672	4½
Minnesota	31	32	.492	16
Dallas	21	42	.333	26
Denver	19	45	.297	28½
San Antonio	16	48	.250	31½
Vancouver	11	55	.167	37½

PACIFIC DIVISION

	W	L	Pct	GB
x-Seattle	45	18	.714	—
L.A. Lakers	42	21	.667	3
Portland	37	28	.569	9
Sacramento	28	36	.438	17½
L.A. Clippers	27	35	.435	17½
Phoenix	26	38	.406	19½
Golden State	25	39	.391	20½

x-clinched playoff spot

FRIDAY'S RESULTS

Chicago 24 23 29 22—98
New Jersey 29 22 25 23—99
C: Jordan 16-34 3-5 36, Pippen 6-19 8-8 21; N.J.: Cassell 11-22 2-2 28, Jackson 7-17 4-4 20. Rebounds—Chicago 57 (Rodman 17), New Jersey 62 (Massenburg 14). Assists—Chicago 25 (Pippen 9), New Jersey 25 (Cassell 12).

Minnesota 17 29 23 26—95
Philadelphia 33 28 23 25—109
M: Robinson 9-17 4-5 25, Garnett 7-15 7-7 21; P: Stackhouse 8-17 8-8 26, Iverson 9-19 6-6 24. Rebounds—Minnesota 48 (Garnett, Garrett 7), Philadelphia 57 (Coleman 14). Assists—Minnesota 22 (Marbury 7), Philadelphia 26 (Stackhouse 9).

Seattle 21 22 20 34—97
Atlanta 23 24 13 31—91
S: Kemp 8-16 10-11 26, Payton 8-19 2-2 20; A: Smith 10-20 7-7 36, Mutombo 6-14 6-8 18. Rebounds—Seattle 45 (Kemp 10), Atlanta 49 (Mutombo 11). Assists—Seattle 21 (Payton 7), Atlanta 11 (Blaylock 5).

Charlotte 30 18 16 17—81
Orlando 25 23 24 14—86
C: Rice 17-25 1-2 39, Curry 4-13 0-0 9; O: Hardaway 9-22 8-10 27, Seikaly 9-14 3-4 21. Rebounds—Charlotte 50 (Mason 17), Orlando 46 (Seikaly 12). Assists—Charlotte 22 (Bogues 8), Orlando 21 (Shaw 10).

Vancouver 28 23 20 11—82
Miami 29 22 23 14—88
V: Reeves 12-21 3-6 27, Abdur-Rahim 5-12 9-10 19; M: Hardaway 8-22 0-0 19, Lenard 6-9 2-2 17. Rebounds—Vancouver 55 (Reeves 11), Miami 38 (Brown 8). Assists—Vancouver 16 (Anthony 9), Miami 23 (Hardaway 12).

Washington 23 32 25 25—105
Milwaukee 23 28 22 23—96
W: Webber 10-12 5-6 26, Muresan 7-10 9-12 23; M: Robinson 9-19 3-4 22, Baker 9-16 3-7 21. Rebounds—Washington 54 (Webber 13), Milwaukee 38 (Baker, Robinson 7). Assists—Washington 21 (Webber 7), Milwaukee 23 (Robinson 5).

Cleveland 26 16 15 16—73
Portland 26 32 17 21—96
C: Phills 6-11 2-4 15, Brandon 5-10 1-1 11; P: Sabonis 6-12 5-6 20, Anderson 5-9 10-13 20. Rebounds—Cleveland 36 (Potapenko 6), Portland 52 (Dudley 10). Assists—Cleveland 14 (Sura, Brandon 3), Portland 18 (Anderson 7).

Utah 19 25 31 30—105
Indiana 28 20 26 22—96
U: Malone 11-21 16-19 38, Russell 5-11 3-4 15; I: Smits 9-19 7-10 25, Miller 5-12 9-10 23. Rebounds—Utah 47 (Malone 11), Indiana 39 (D.Davis 8). Assists—Utah 30 (Stockton 10), Indiana 19 (Jackson 9).

Boston 19 15 36 22—92
San Antonio 21 30 22 30—103
B: E.Williams 7-14 10-11 25, Fox 7-15 2-2 20; S.A.: Alexander 7-16 3-4 22, Wilkins 8-18 6-6 22. Rebounds—Boston 43 (Walker, Conlon 10), San Antonio 66 (Herrera, Perdue 9). Assists—Boston 17 (Wesley 6), San Antonio 18 (Alexander 10).

L.A. Clippers 22 32 19 24—97
L.A. Lakers 21 18 24 32—95
L.A. Clippers: Vaught 9-13 2-3 20, Rogers 8-14 5-9 21; L.A. LAKERS: Jones 7-14 5-5 22, Bryant 6-13 1-2 16. Rebounds—L.A. Clippers 49 (Vaught 11), L.A. Lakers 65 (Blount 15). Assists—L.A. Clippers 25 (Sealy, Martin, Richardson 5), L.A. Lakers 21 (Van Exel 13).

SATURDAY'S RESULTS

Toronto 18 17 25 42—102
Golden State 29 23 30 24—106
T: Camby 12-20 3-3 27, Williams 6-16 4-5 21; G.S.: Marshall 7-17 5-6 20, Smith 9-15 2-2 20. Rebounds—Toronto 36 (Camby 9), Golden State 54 (Marshall 14). Assists—Toronto 27 (Stoudamire 14), Golden State 30 (Price 13).

Charlotte 27 25 28 25—107
Philadelphia 20 31 21 27—99
C: Rice 7-20 10-11 27, Mason 6-12 5-5 17; P: Iverson 11-25 7-7 31, Coleman 8-19 2-2 19. Rebounds—Charlotte 47 (Mason 14), Philadelphia 62 (Coleman 12). Assists—Charlotte 21 (Bogues 7), Philadelphia 19 (Iverson 9).

Utah 24 12 36 28—100
Washington 24 23 20 26—93
U: Malone 12-25 8-11 32, Hornacek 3-6 9-9 16; W: Strickland 10-14 7-10 27, Muresan 8-11 0-0 16. Rebounds—Utah 50 (Malone 10), Washington 36 (J.Howard 7). Assists—Utah 19 (Stockton 12), Wash. 18 (Strickland 7).

Atlanta 12 21 20 26—79
Chicago 23 25 27 24—99
A: Laettner 8-14 5-6 22, Smith 7-14 3-3 20; C: Pippen 8-14 0-0 17, Longley 7-15 0-0 14. Rebounds—Atlanta 44 (Henderson 8), Chicago 53 (Rodman 14). Assists—Atlanta 15 (Blaylock, Barry 3), Chicago 33 (Pippen, Longley 7).

San Antonio 19 28 27 31—105
Denver 32 35 24 30—121
S.A.: Wilkins 6-16 8-6 20, M.Williams 7-12 5-7 19, Del Negro 9-13 0-0 19; D: L.Ellis 12-16 8-9 39, McDyess 14-20 5-5 33. Rebounds—San Antonio 49 (Anderson 9), Denver 40 (Johnson 15). Assists—San Antonio 19 (Alexander 9), Denver 29 (Thompson 9).

Dallas 26 17 15 18—76
Phoenix 24 22 21 34—101
D: Finley 11-23 4-7 26, Green 5-10 3-4 13; P: Johnson 7-11 5-6 23, Chapman 7-16 2-2 19. Rebounds—Dallas 52 (Green 11), Phoenix 50 (Williams 13). Assists—Dallas 19 (Harper 7), Phoenix 24 (Kidd 10).

NCAA Tournament

EAST REGIONAL

1ST ROUND

Texas 71, Wisconsin 58
Coppin State 78, South Carolina 65
New Mexico 59, Old Dominion 55
Louisville 65, Massachusetts 57

2ND ROUND

North Carolina 73, Colorado 56
California 75, Villanova 68

SOUTHEAST REGIONAL

1ST ROUND

Tennessee-Chattanooga 73, Georgia 70
Illinois 90, Southern California 77
Providence 81, Marquette 59
Duke 71, Murray State 68

2ND ROUND

Kansas 75, Purdue 61
Arizona 73, College of Charleston 69

MIDWEST REGIONAL

1ST ROUND

Clemson 68, Miami, Ohio 56
Tulsa 81, Boston University 52
Temple 62, Mississippi 40
Minnesota 78, Southwest Texas State 46

2ND ROUND

Iowa State 67, Cincinnati 66
UCLA 96, Xavier, Ohio 83

WEST REGIONAL

1ST ROUND

North Carolina Charlotte 79, Georgetown 67
Utah 75, Navy 61
Wake Forest 68, St. Mary's, Calif. 46
Stanford 80, Oklahoma 67

2ND ROUND

St. Joseph's 81, Boston College 77, OT
Kentucky 75, Iowa 69

NCAA Women's Tournament

1ST ROUND

MIDWEST REGIONAL

Stephen F. Austin 79, Toledo 66
Colorado 69, Marshall 49
Duke 70, DePaul 56
Illinois 79, Drake 62
Iowa 56, North Carolina St. 50
Connecticut 103, Lehigh 35
Oregon 80, San Diego St. 68
Tennessee 91, Grambling 54

EAST REGIONAL

Michigan St. 75, Portland 70, OT
North Carolina 78, Harvard 53
St. Joseph's 70, Kansas St. 52
Alabama 94, St. Francis, Pa. 50
Notre Dame 93, Memphis 62
Texas 66, SW Texas St. 38
Tulane 72, UC Santa Barbara 69
George Washington 61, Northwestern 46

WEST REGIONAL

Arizona 76, Western Kentucky 54
Georgia 91, Eastern Kentucky 55
Utah 66, Iowa State 57
Virginia 96, Troy State 74
Stanford 111, Howard 59
Texas Tech 47, Montana 45
Vanderbilt 74, Washington 62
Kansas 81, Detroit 67

MIDEAST REGIONAL

Purdue 74, Maryland 48
Old Dominion 102, Liberty 52
Auburn 68, Louisville 65
Louisiana Tech 94, St. Peters 50
Marquette 70, Clemson 66
LSU 88, Maine 79
Southern Cal 68, San Francisco 55
Florida 92, Fla. International 68

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	39	21	10	88	236	184
New Jersey	38	19	12	88	197	157
Florida	31	23	16	78	188	167
N.Y. Rangers	33	28	9	75	226	196
Tampa Bay	27	34	7	61	186	214
Washington	27	35	7	61	174	194
N.Y. Islanders	24	35	10	58	188	203

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	36	21	11	83	202	172
Pittsburgh	32	29	7	71	236	227
Hartford	27	32	10	64	191	214
Montreal	25	32	14	64	215	245
Ottawa	22	33	14	58	189	203
Boston	24	37	9	57	205	249

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	40	23	6	86	209	169
Detroit	33	20	15	81	219	161
Phoenix	32	33	5	69	201	211
St. Louis	30	31	9	69	207	215
Chicago	27	31	12	66	181	176
Toronto	25	38	6	56	201	237

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
x-Colorado	42	18	9	93	236	169
Edmonton	32	32	7	71	221	215
Anaheim	29	30	10	68	201	199
Calgary	30	34	7	67	189	200
Vancouver	29	37	4	62	218	240
Los Angeles	25	37	9	59	188	233
San Jose	23	39	7	53	177	231

x-clinched playoff spot

FRIDAY'S RESULTS

N.Y. Rangers 1 1 1 1—4
Ottawa 0 2 1 0—3
First Period: New York, Graves 26 (Samuelsson, Messier) Second Period: O-Daigle 25 (Yashin, York) 3, O-Duchesne 13 (Yashin, Alfredsson) (pp). 4, New York, Graves 27 (Messier, Leetch) Third Period: O-Chorske 13. 6, New York, Graves 28 (Messier, Lidster) Overtime: 7, New York, Sundstrom 23 (Eastwood) Shots on goal: N.Y.- 9-4-13-2—28. O- 12-9-9-0—30. Goalies: N.Y.-Richter. O-Tugnutt.

Pittsburgh 1 2 0—3
Colorado 0 3 3—6
First Period: P-Olausson 8 (Mullen, Woolley) (pp). Second Period: P-Francis 22 (Olausson, M.Lemieux) (pp). 3, C-Sakic 18 (Jones, Ozolinsh) 4, C-Forsberg 20 (Foote) 5, P-Mullen 5 (Tomer, Hicks) 6, C-Sakic 19 (Ozolinsh, Deadmarsh) (pp). Third Period: C-Jones 23 (Ricci, Klemm) 8, C-C.Lemieux 9 (Kamensky, Forsberg) (pp). 9, C-, Sakic 20 (Forsberg, Kamensky) (pp). Shots on goal: P- 7-18-6—31. C- 14-20-12—46. Goalies: P-Wregget. C-Roy.

Chicago 1 1 2 0—4
Dallas 1 2 1 0—4
First Period: D-Hogue 15 (Sydor, Bassen) 2, C-Daze 14 (Miller, Savard) (pp). Second Period: C-Daze 15 (Carney, Moreau) 4, D-Nieuwendyk 27 (Sydor, Modano) (pp). 5, D-Modano 29 (Adams, Harvey) Third Period: C-Cummins 5 (Probert, Laflamme) 7, C-Probert 8 (Cummins, Suter) 8, D-Modano 30 (Harvey) Overtime: None. Shots on goal: C-13-13-7-1—34. D- 5-6-7-2—20. Goalies: C-Terreri. D-Irbe.

St. Louis 2 1 1 0—4
Anaheim 3 1 0 0—4
First Period: A-Mironov 11 (Kariya, Van Impe) (pp). 2, S.L.-Petrovicky 4 (Courtnall, Hull) 3, A-Bellows 10 (Sacco) 4, S.L.-C.Pronger 10 (Hull, MacInnis) (pp). 5, A-Bellows 11 (S.Pronger, Dollas) Second Period: S.L.-Hull 40 (Turgeon) 7, A-Rucchin 15 (Selanne, Van Impe) Third Period: S.L.-Murphy 15 (Turgeon, MacInnis) Overtime: None. Shots on goal: S.L.- 13-10-12-2—37. A-9-9-8-3—29. Goalies: S.L.-Fuhr. A-Hebert.

Phoenix 1 2 1—4
San Jose 0 1 0—1
First Period: Phoenix, Roenick 21 (Tverdovsky, Ronning) (pp). Second Period: Phoenix, Drake 12 (Roenick) 3, Phoenix, Doan 4 (Janney, Manson) 4, S.J.-Granato 19 (Kroupa, Turcotte) Third Period: Phoenix, Tkachuk 40, (en). Shots on goal: Phoenix 11-5-10—26. S.J.- 6-15-6—27. Goalies: Phoenix, Khabibulin. S.J.-Hrudey.

SATURDAY'S RESULTS

N.Y. Islanders 2 0 0—2
Boston 2 1 2—5
First Period: B-Roy 5 (Bourque, Stumpel). 2, B-Kennedy 8, (sh). 3, New York, King 23 (McCabe) (pp). 4, New York, Palffy 35 (Green) Second Period: B-Carter 6 (Odgers) Third Period: B-Stumpel 16 (Bourque) 7, B-Wilson 3 (Roy) (en). Shots on goal: N.Y.- 12-8-8—28. B-7-7-23—37. Goalies: N.Y.-Salo. B-Carey.

Washington 0 1 1—2
New Jersey 2 0 1—3
First Period: N.J.-Gilmour 20 (Rolston, Chambers) 2, N.J.-Andreychuk 24 (Guerin, Odelein) (pp). Second Period—3, W-Oates 21 (Bondra) Third Period: N.J.-Zelepukin 12 (Gilmour, McKay) 5, W-Housley 9 (Bondra) Shots on goal: W- 8-12-7—27. N.J.- 10-9-8—27. Goalies: W-Ranford. N.J.-Brodeur.

Buffalo 5 1 1—7
Philadelphia 2 1 2—5
First Period: B-Galley 4 (Boughner, Plante) 2, B-Holzinger 19 (Audette, Shannon) 3, P-, Renberg 18 (LeClair, Coffey) 4, B-Ronan 1 (Dawe, Peca) 5, B-Primeau 1 (Galley, Grosek) 6, B-Peca 17 (Barnaby, Zhitnik) 7, P-Coffey 8 (Renberg, LeClair) Second Period: B-Holzinger 20 (Dawe, Peca) (pp). 9, P-LeClair 46 (Dykhuis, Niinimaa) Third Period—10, B-Barnaby 17, (pp). 11, P-Brind'Amour 23 (Niinimaa, Klatt) (pp). 12, P-Desjardins 11 (Lindros, Renberg) Shots on goal: B- 11-3-6—20. P- 14-18-12—44. Goalies: B-Shields. P-Hextall, Snow.

Edmonton 2 1 1—4
Hartford 1 1 0—2
First Period: H-Chiasson 7 (Rice, Primeau) (pp). 2, E-Weight 18. 3, E-Lindgren 9 (Marchment, Buchberger) Second Period: H-Sanderson 32 (Emerson, Chiasson) (pp). 5, E-Arnott 18 (Grier) (pp). Third Period: E-Murray 11 (Buchberger, Lindgren) (en). Shots on goal: E- 10-9-6—25. H- 13-20-12—45. Goalies: E-Joseph. H-Burke.

Vancouver 1 2 2—5
Tampa Bay 0 0 2—2
First Period: V-Noonan 9 (Gelinas, Watton) Second Period: V-Noonan 10 (Stillinger, Babych) (sh). 3, V-Mogilny 28 (Murzyn) Third Period: V-Stillinger 17 (Gelinas, Noonan) 5, V-Gelinas 26 (Mogilny, Murzyn) 6, T-, Ciccarelli 30 (Toms, Cullen) 7, T-Wiemer 8 (Poeschek, Hamrlik) Shots on goal: V- 15-16-17—48. T- 16-6-17—39. Goalies: V-Hirsch. T-Taborocci.

Ottawa 1 0 1 0—2
Montreal 1 0 1 0—2
First Period: O-Van Allen 9 (Daigle) (pp). 2, M-Damphousse 23 (Rucinsky, Popovic) Second Period: None. Third Period: M-Bureau 6 (Richer) 4, O-, Gardiner 6 (McEachern) Overtime: None. Shots on goal: O- 9-11-11-0—30. M- 12-10-11-4—37. Goalies: O-Tugnutt. M-Thibault.

Toronto 1 1 1 0—3
Florida 1 1 1 0—3
First Period: T-Modin 6 (Sundin, Smith). 2, F-Sheppard 27 (Dvorak, Laus) Second Period: F-Dvorak 15. 4, T-Sullivan 10 (Modin, Murphy) Third Period: F-Mellanby 25 (Niedermayer). 6, T-Murphy 7 (Sundin, Berezin) (pp). Overtime: None. Shots on goal: T- 5-9-10-1—25. F- 13-17-14-2—46. Goalies: T-Potvin. F-Fitzpatrick.

Detroit 3 1 3—7
San Jose 1 1 2—4
First Period: D-McCarty 18 (Lidstrom, Shanahan) (pp). 2, D-Rouse 4 (Fedorov, Larionov) (sh). 3, San Jose, Friesen 24, (pp). 4, D-Fedorov 26 (Vv.Kozlov, Konstantinov) (pp). Second Period: S.J.-Friesen 25 (McSorley, Vl.Kozlov) 6, D-Shanahan 43 (Lidstrom, Yzerman) (pp). Third Period: D-Kocur 2 (Draper, McCarty) 8, San Jose, Turcotte 13 (Granato, Nazarov) (pp). 9, S.J.-Guolla 10 (Turcotte, Granato); 10, D-Fedorov 27 (Fetisov, Konstantinov) (pp). 11, D-Vy.Kozlov 22. Shots on goal: D- 16-11-5—32. S.J.- 8-9-7—24. Goalies: D-Osgood. S.J.-Belfour.

Calgary 0 1 4—5
Los Angeles 1 0 1—2
First Period: L.A.-C.Johnson 4 (Laperriere) Second Period: C-Reichel 15 (Albelin) Third Period: C-Sullivan 5, (sh). 4, C-, Fleury 25, 5, L.A.-Khristich 17 (Norstrom, Yachmenev) 6, C-Fleury 26 (Gagner, Titov) (en). 7, C-Featherstone 3 (Reichel) (en). Shots on goal: C- 9-11-7—27. L.A.- 12-10-9—31. Goalies: C-Kidd. L.A.-Dafoe.

CRICKET

AUSTRALIA TOUR

2ND TEST, 3D DAY

SOUTH AFRICA VS. AUSTRALIA

SUNDAY, IN PORT ELIZABETH, SOUTH AFRICA

South Africa: 209 and 168
Australia: 108 and 145-3.

SRI LANKA TOUR

2ND TEST, 3D DAY

NEW ZEALAND VS. SRI LANKA

SUNDAY, IN HAMILTON, NEW ZEALAND

New Zealand: 222 and 273
Sri Lanka:170 and 20 for 2

INDIA TOUR

2ND TEST, 2ND DAY

WEST INDIES VS. INDIA

SATURDAY, IN PORT OF SPAIN

West Indies: 296 all out
India: 171-1

CYCLING

Paris-Nice

Final overall standings:

1. Laurent Jalabert, France, Once 28 hours 56 minutes 6 seconds
2. Laurent Dufaux, Switz, Festina 1min behind
3. Santiago Blanco, Spain, Banesto 1:25
4. Vyacheslav Ekimov, Russ., US Postal 1:45
5. Pascal Chanteur, France, Casino 2:06
6. Didier Rous, France, Festina 2:32
7. Mikel Zarrabeitia, Spain, Once 2:39
8. Johan Museeuw, Belgium, Mapei 2:43
9. Francis Moreau, France, Cofidis 2:51
10. Pascal Lino, France, Bigmat 2:55

GOLF

Token Corporation Cup

Final leading scores Sunday in the 100 million yen (dirs 819,700) Token Corporation Cup golf tournament at the 7,115-yard (6,475-meter), par-72 Kedouin Golf Club course at Seisuma, Japan (Japanese unless specified):

M. "Jumbo" Ozaki	71-65-61-72—269
C. Franco, Paraguay	65-68-69-68—270
B. Jobe, United States	71-66-66-69—272
E. Herrera, Colombia	73-68-63-70—274
T. Watanabe	69-64-70-71—274
T. "Jet" Ozaki	71-69-67-68—275
P. Senior, Australia	71-67-69-68—275
S. Ginn, Australia	69-69-72-67—277
F. Minoza, Philippines	72-69-67-69—277
H. Sasaki	69-70-66-72—277

Portuguese Open

Final scores after Sunday's final round of the dirs 560,000 Portuguese Open, played at the par-72 Aroeira Country Club in Lisbon, Portugal:

M. Jonzon, Sweden	67-65-68-69—269
L Garrido, Spain	69-71-67-65—272
P.Broadhurst, Eng.	68-67-67-73—275
W. Riley, Australia	68-66-71-71—276
S. Allan, Australia	69-73-67-67—276
D. Clarke, N. Ireland	70-71-68-67—276
J.M. Olazabal, Spain	70-67-65-74—276
R. Boxall, England	70-71-67-69—277
S. Grappasonni, Italy	71-65-70-72—278
M. Mouland, Wales	72-69-69-68—278
J. Caceres, Argentina	71-69-69-69—278
P. O'Malley, Australia	65-69-72-72—278
M. James, England	70-66-70-72—278
R. Russell, Scotland	69-69-68-72—278

RUGBY UNION

Five Nations Cup

SATURDAY, IN PARIS

France 46, Scotland 20

SATURDAY, IN CARDIFF

Wales 13, England 34

Final standings: France 8 points, England 6, Wales 2, Scotland 2, Ireland 2.

SUPER 12

New South Wales 25, Canterbury 8
Transvaal 47, Otago 29
Waikato 16, Auckland 26
Free State 35, Queensland 24
Wellington 64, Northern Transvaal 32
Natal 35, ACT 26

Standings: Transvaal 14, Auckland 11, Natal 10, Waikato 8, Northern Transvaal 8, Wellington 7, ACT 6, New South Wales 5, Free State 5, Canterbury 4, Otago 2, Queensland 1.

TENNIS

EVERT CUP

INDIAN WELLS, CALIFORNIA

SEMIFINAL

Lindsay Davenport (4), U.S., def. Mary Joe Fernandez (9), U.S., 6-1, 6-1.

FINAL

Davenport def. Irina Spirlea (6), Romania, 6-2, 6-1.

COPENHAGEN OPEN

QUARTERFINALS

Karol Kucera (6), Slovakia def. Guillaume Raoux, France 6-4, 6-2.
Lars Burgsmuller, Germany, def. Thomas Carbonell, Spain 6-4, 6-4.
Martin Damm (2), Czech Republic, def. Fredrik Fetterlein, Denmark 6-4, 6-3.
Thomas Johansson (5), Sweden, vs Jan Kroslak, Slovakia 4-6, 6-3, 6-2.

SEMIFINALS

Damm def. Kucera 6-4, 3-6, 6-3.
Johansson def. Burgsmuller 6-2, 6-4.

FINAL

Johansson def. Damm 6-4 3-6 6-2

NEWSWEEK CUP

INDIAN WELLS, CALIFORNIA

QUARTERFINALS

Thomas Muster (2), Austria, def. Mark Philippoussis, Australia, 6-3, 7-6 (10-8); Michael Chang (3), U.S., def. Cedric Pioline, France, 6-3, 6-2.
Jonas Bjorkman, Sweden, def. Alberto Berasategui (14), Spain, 6-2, 6-3; Bohdan Ulihrach, Czech Republic, def. Byron Black, Zimbabwe, 6-4, 6-2.

SEMIFINALS

Chang def. Muster 6-1, 7-6 (7-1).
Ulihrach def. Bjorkman 6-3, 6-2.

SOCCER

WORLD CUP QUALIFIERS

CONCACAF ZONE

Costa Rica 0, Mexico 0

Standings: Mexico 4 points, Costa Rica 1, Jamaica 1, United States 1, Canada 0, El Salvador 0.

ASIA ZONE,
FIRST ROUND, GROUP 1

Saudi Arabia 2, Taiwan 0
Malaysia 2, Bangladesh 0

Standings: Saudi Arabia 3 points, Malaysia 3, Bangladesh 0, Taiwan 0

COSAFA CUP

Namibia 2, Zimbabwe 1

GERMAN BUNDESLIGA

Bochum 3, Werder Bremen 2
MSV Duisburg 2, Karlsruher SC 2
FC St. Pauli 2, Hamburg SV 2
Bayer Leverkusen 1, Arminia Bielefeld 0
Bayern Munich 3, Schalke 04 0
Borussia Moenchengladbach 2, Cologne 1
Hansa Rostock 3, Fortuna Duesseldorf 1
SC Freiburg 2, 1860 Munich 2
VfB Stuttgart 4, Borussia Dortmund 1

Standings: Borussia Dortmund 46, Bayern Munich 46, VfB Stuttgart 44, Bayer Leverkusen 44, Schalke 04 36, Bochum 35, Karlsruher SC 34, FC Cologne 33, Werder Bremen 32, 1860 Munich 31, Arminia Bielefeld 29, Hamburger SV 28, Moenchengladbach 26, MSV Duisburg 25, Fortuna Duesseldorf 25, Hansa Rostock 21, FC St. Pauli 20, SC Freiburg 14.

FRENCH FIRST DIVISION

Metz 2, Lens 0
Bordeaux 3, Caen 1
Lyon 2, Guingamp 1
Le Havre 1, Paris St Germain 0
Bastia 2, Montpellier 2
Marseille 0, Strasbourg 1
Nice 1, Nantes 2
Auxerre 3, Cannes 1
Lille 2, Nancy 0

Standings: Monaco 59, Paris St Germain 52, Strasbourg 50, Bordeaux 49, Bastia 49, Nantes 48, Auxerre 46, Metz 46, Lyon 40, Marseille 37, Guingamp 37, Montpellier 34, Le Havre 34, Rennes 33, Lille 33, Cannes 32, Lens 30, Caen 25, Nancy 25, Nice 19.

ITALIAN FIRST DIVISION

Bologna 2, Napoli 1
Cagliari 2, Vicenza 1
Lazio 3, Atalanta 2
Sampdoria 3, Reggiana 0
Udinese 2, Perugia 1
Verona 0, Piacenza 0
Juventus 3, Roma 0
Milan 2, Fiorentina 0
Parma 1, Inter 0

Standings: 1. Juventus 48, 2. Parma 43, 3. Sampdoria 39, 4. Inter 38, 5. Bologna 38, 6. Roma 35, 7. Atalanta 35, 8. Vicenza 34, 9. Lazio 34, 10. Milan 33, 11. Fiorentina 31, 12. Udinese 31, 13. Napoli 31, 14. Piacenza 26, 15. Cagliari 23, 16. Perugia 23, 17. Verona 18, 18. Reggiana 17.

DUTCH FIRST DIVISION

Twente Enschede 4, Volendam 0
Utrecht 2, AZ Alkmaar 0
Vitesse Arnhem 3, Graafschap Doetinchem 2
NAC Breda 0, Willem II Tilburg 1
PSV Eindhoven 1, Fortuna Sittard 0
NEC Nijmegen 0, Groningen 0
Feyenoord 5, RKC Waalwijk 0
Ajax Amsterdam 3, Roda JC Kerkrade 1

Standings: PSV Eindhoven 58, Feyenoord 55, Twente Enschede 52, Ajax Amsterdam 42, Vitesse Arnhem 42, Roda JC Kerkrade 39, Heerenveen 37, NAC Breda 35, Graafschap Doetinchem 34, Willem II Tilburg 29, Utrecht 28, Volendam 26, Sparta Rotterdam 25, Fortuna Sittard 25, Groningen 24, AZ Alkmaar 20, NEC Nijmegen 20, RKC Waalwijk 19.

SPANISH FIRST DIVISION

Sevilla 2, Sporting Gijon 1
Compostela 1, Valladolid 1
Zaragoza 3, Extremadura 1
Racing Santander 1, Celta Vigo 0
Oviedo 2, Hercules 0
Rayo Vallecano 0, Real Betis 4
Espanyol 0, Deportivo Coruna 1
Atletico Madrid 1, Valencia 4
Tenerife 3, Athletic Bilbao 3

Standings: Real Madrid 65, Real Betis 59, Barcelona 56, Deportivo Coruna 56, Atletico Madrid 49, Real Sociedad 45, Tenerife 43, Athletic Bilbao 43, Valencia 42, Valladolid 41, Racing Santander 41, Oviedo 35, Celta Vigo 34, Zaragoza 32, Sporting Gijon 32, Compostela 32, Rayo Vallecano 30, Extremadura 29, Logrones 28, Espanyol 27, Sevilla 24, Hercules 22.

ENGLISH PREMIER LEAGUE

Chelsea 6, Sunderland 2
Aston Villa 0, West Ham 0
Blackburn 3, Wimbledon 1
Everton 1, Derby 0
Leicester 1, Middlesbrough 3
Manchester United 2, Sheffield Wednesday 0
Newcastle 4, Coventry 0
Nottingham Forest 1, Liverpool 1
Southampton 0, Arsenal 2
Tottenham 1, Leeds 0

Standings: Manchester United 60, Liverpool 57, Arsenal 57, Newcastle 51, Sheffield Wednesday 48, Aston Villa 47, Chelsea 46, Wimbledon 44, Leeds 40, Tottenham 38, Leicester 37, Blackburn 36, Everton 36, Derby 32, Sunderland 32, Coventry 30, West Ham 29, Nottingham Forest 29, Southampton 26, Middlesbrough 25.

SKIING

World Cup Finals

IN VAIL, COLORADO

WOMEN'S SLALOM

1. L. Magoni, Italy 1:35.77 (46.71 + 49.06)
tie P. Wiberg, Swe. 1:35.77 (47.47 + 48.30)
3. K. Seizinger, Ger. 1:36.31 (46.89 + 49.42)
4. Salvenmoser, Aus. 1:36.97 (47.60 + 49.37)
5. T. Bakke, Norway 1:37.31 (47.42 + 49.89)
6. D. Compagnoni It. 1:37.35 (47.48 + 49.87)
7. P. Chauvet, Fra. 1:37.60 (47.85 + 49.75)
8. Zingre-Graf, Switz. 1:37.62 (48.02 + 49.60)
9. C. Riegler, N. Zeal. 1:37.72 (48.16 + 49.56)
10. M. Ertl, Germ. 1:37.74 (47.78 + 49.96)

WOMEN'S GIANT SLALOM

1. Deborah Compagnoni, Italy, two minutes, 11:45 seconds (1:05.98/1:05.47), 2, Katja Seizinger, Germany, 2:11.82 (1:05.81/1:05.02), 3. Karin Roten, Switzerland, 2:12.07 (1:06.74/1:05.33), 4. Isolde Kostner, Italy, 2:12.51 (1:07.25/1:05.26), 5. Pernilla Wiberg, Sweden, 2:12.55 (1:06.59/1:05.96), 6. Sophie Lefranc, France 2:12.71 (1:06.44/1:06.27), 7. Ana Galindo Santolaria, Spain, 2:12.98 (1:06.57/1:06.41), 8. Martina Ertl, Germany, 2:13.06 (1:07.44/1:05.62), 9. Anita Wachter, Austria, 2:13.13 (1:06.51/1:06.62), 10. Hilde Gerg, Germany, 2:13.19 (1:07.22/1:05.97)

Final giant slalom standings: 1. Compagnoni, Italy, 560 points, 2. Seizinger 420, 3. Anita Wachter, Austria, 378, 4. Roten 258, 5. Pernilla Wiberg, Sweden, 229, tie Sabina Panzanini, Italy, 229, 7. Ertl 207, 8. Urska Hrovat, Slovenia 191, 9. Gerg 174, 10. Santolaria 168

MEN'S SLALOM

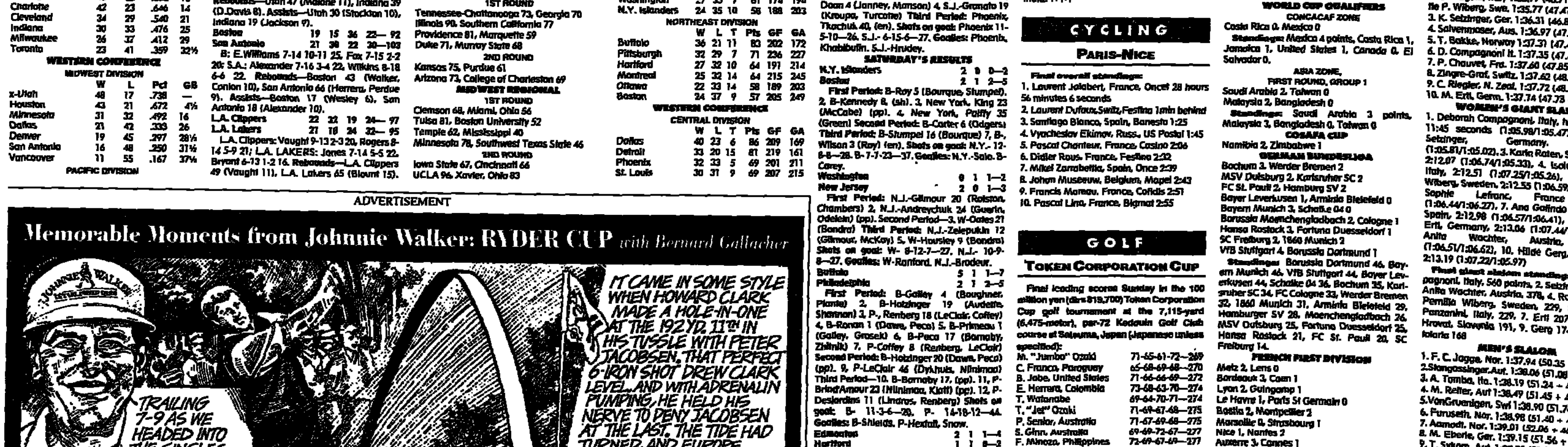
1. F. C. Jagge, Nor. 1:37.94 (50.35 + 47.59)
2. Stangassinger, Aut. 1:38.06 (51.08 + 46.98)
3. A. Tomba, Ita. 1:38.19 (51.24 + 46.95
4. M. Reiter, Aut 1:38.49 (51.45 + 47.04)
5. VonGruenigen, Swi 1:38.90 (51.76 + 47.14)
6. Furuseth, Nor. 1:38.98 (51.40 + 47.58)
7. Aamodt, Nor. 1:39.01 (52.06 + 46.95)
8. M. Eberle, Ger. 1:39.15 (51.56 + 47.59)
9. T. Sykora, Aut. 1:39.35 (51.07 + 48.28)
10. T.Stiansen, Nor. 1:39.38 (51.10 + 48.28)

MEN'S GIANT SLALOM

1. Michael Von Gruenigen (Switzerland) two minutes, 18.58 seconds (1:07.20/1:11.38), 2, Rainer Salzgeber, Austria, 2:19.57 (1:07.02/1:12.55), 3. Andreas Schifferer, Austria, 2:19.97 (1:07.66/1:12.31), 4. Patrick Holzer, Italy, 2:20.28 (1:07.57/1:12.71), 5. Hermann Maier, Austria, 2:20.78 (1:08.20/1:12.58), 6. Josef Strobl, Austria, 2:20.90 (1:07.81/1:13.09), 7. Kjetil Andre Aamodt, Norway, 2:20.92 (1:08.02/1:12.90), tie Fredrik Nyberg, Sweden, 2:20.92 (1:08.14/1:12.78), 9. Paul Accola, Switzerland, 2:20.93 (1:08.38/1:12.55), tie Hans Knaus, Austria, 2:20.93 (1:07.92/1:13.01)

Final giant slalom standings: 1. Von Gruenigen 660 points, 2. Aamodt, 387, 3. Knaus 349, 4. Steve Locher, Switzerland, 305, 5. Strobl 333, 6. Nyberg 301, 7. Salzgeber 271, 8. Schifferer 230, 9. Holzer 203, 10. Siegfried Voglreiter, Austria, 191.

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Written with R. Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

Male Skaters Know They Must Learn How to Fly

Compiled by Our Staff From Dispatches

MICHAEL WEISS could fly before he could walk. Even now, Greg Weiss, the gymnast father of a skater son, remembers his infant son giggling contentedly as he tossed him like a pizza.

He is the first American to attempt the the quadruple four-revolution jump in competition.

Suddenly, the quad is the rage.

For the world's best jumpers, the bar has been raised another notch.

Eight triple jumps may no longer be sufficient to win a world title, which is threatening news to the defending champion, Todd Eldredge of the United States.

As the skating world laments, in rhyme, Todd does not have a quad.

Elvis Stojko of Canada does a quadruple jump in combination with a triple jump. So do Aleksei Urmanov and Ilya Kulik of Russia.

Weiss appeared to land a quad at the U.S. championships last month.

He thought he landed the jump cleanly. And apparently, so did the judges, who boosted Weiss from fourth place after the short program to second place overall.

But three hours later, the dawdling U.S. Figure Skating Association ruled, after viewing a slow-motion replay, that Weiss had used a second foot to steady the landing. While the results stood, the quad was not ratified for historical purposes.

"It doesn't matter; I did do it," Weiss said recently. "Look at the judges' scorecards."

Of course, the quad alone will not win a world title.

Stojko crash-landed during the short program at last year's worlds and finished fourth overall. Weiss has struggled with the short program at the last two national championships.

Kulik has been known to come unraveled in the long program. And Urmanov has had fatigue problems during his long program.

An ankle sprain will prevent Eldredge from trying a quad at these world championships, but he is counting on the belief that he will not need it.

Eldredge is steady, if uninspiring. Among the men, he is the most consistent skater in terms of jumping, technical skill and artistry.

In Thursday's long program, which will count for two-thirds of the scoring, the tie breaker will be the mark for artistry.

Urmanov and Kulik landed quads two weeks ago in Hamilton, but both finished behind Eldredge. Last year's world title came down to dependable jumping: Eldredge landed two triple-triple combinations, while Kulik managed only one.

"I think the most well-rounded program, with the jumps, the technical part and the artistic part, is going to win it," Eldredge said.

Many skaters credit Jozef Sabovchik of Slovakia with landing the first quad jump, in 1984, the year he won a bronze medal at the Winter Olympics.

The first official quad was performed by Kurt Browning of Canada at the 1988 world championships.

OFFICIALLY, the jump is called a quadruple toe loop, and it is performed by gliding backward on the right skate, planting the left toe pick, lifting off with the outside edge of the right skate, spinning four times and landing on the same outside edge of the right skate.

"After the '98 Olympics, it's an element you're going to see quite often at the top," said Richard Callaghan, who coaches Eldredge.

Ed Futerman, who is Stojko's agent, said, "Without a quad, there is going to come a time soon when you shouldn't show up."

Weiss's quasi-quad at the U.S. championships has spurred calls for the use of instant replay. Skating's world governing body is examining the matter, but with nine judges wanting to see instant replays simultaneously, each competition could last longer than the Continental Congress.

Some wonder whether the emphasis on jumping has detracted from the artistry and personality of Olympic-style skating. "It's hard to have personality when you're doing all those jumps," said Carol Heiss-Jenkins, the 1960 Olympic champion.

But Weiss's coach, Audrey Weisiger, argues that their athleticism may allow men to overtake women as the most popular skaters.



Jean-Loup Gautreau/Agence France-Presse

Todd Eldredge, the reigning champion, skating Sunday on the opening day of the figure skating World Championships in Lausanne. Eldredge finished third in the qualifying round behind Russians Alexei Urmanov and Ilya Kulik who both landed huge quadruple jumps. Elvis Stojko of Canada stumbled on his quadruple toe loop, landing on two feet and barely holding his balance.

Davenport Demolishes Spirlea to Win Evert Cup

By Robin Finn
New York Times Service

INDIAN WELLS, California — Bigger, better and bolder, Lindsay Davenport pummeled Romania's Irina Spirlea into quick submission in the Evert Cup final.

"I just tried to play smart," said the 20-year-old Davenport, who needed just 64 minutes Saturday to seize her first major title on the WTA Tour with a 6-2, 6-1 drubbing of the tournament's sixth-seeded player.

"I didn't want to hit to that forehand," said Davenport, who realized that was Spirlea's most dangerous weapon and took pains to aim elsewhere.

Unlike Davenport, who grew up playing on hot-weather hardcourts and last summer won an Olympic gold medal in the Atlanta heat, the 22-year-old Spirlea was appearing in only the first hardcourt final of a career that has, by her own admission, been something of a late-blooming thing.

Davenport broke her opponent seven times and treated Spirlea's second serve with contempt: out of the 28 second serves Spirlea was forced to rely on, the Romanian won just five points.

"You cannot play with a second serve against Lindsay," said Spirlea, who had not faced Davenport before, but went into the match knowing Davenport would pounce on her second serve, and that Davenport would pick her vulnerable backhand like a weak lock.

In the opening set, the players went on a three-game losing streak at the service line until Davenport buckled down and held for 4-2 with an ace.

Spirlea reacted to that by getting off to a questionable start in her next service game: she double-faulted, fell into arrears and, despite working herself into game-point position with an ace, handed Davenport a 5-2 lead by double-faulting again at break point.

Davenport held serve and, holding court at net, won the first set.

In the second, Spirlea got off to a familiar start: she lost her serve, a mistake she partly rectified by breaking right back for 1-1.

Then Davenport broke Spirlea again for a 2-1 edge, and the domino trend for service breaks ended there.

Davenport never faltered. Spirlea had to save a match point simply to survive her opening round against Alexia Dechaume-Balleret. Davenport had to fend off the tournament's sleeper star, the 16-year-old Venus Williams, in the quarterfinals.

■ Chang Upsets Muster

Third-seeded Michael Chang beat second-seeded Thomas Muster of Austria, 6-1, 7-6, (7-1) on Saturday to earn the chance to defend his Champions Cup title against a surprise finalist, Bohdan Ulihrach of the Czech Republic, Reuters reported from Indian Wells, California.

The unseeded and 43d-ranked Czech posted a 6-3, 6-2 victory over unseeded and 35th-ranked Jonas Bjorkman of Sweden.

● Fifth seeded Thomas Johansson of Sweden landed his first ATP Tour title Sunday when he beat second-seeded Martin Damn of the Czech Republic in the Copenhagen Open final, 6-4, 3-6, 6-2.



Hector Mata/Agence France-Presse

Lindsay Davenport hitting a backhand to Irina Spirlea in the Evert Cup.

Sabres, Rolling, Keep Flyers Reeling

The Associated Press

Steve Shields, starting at goalie for Buffalo in place of Dominik Hasek, stopped 39 Philadelphia shots, while the Sabres took only 20. But the Sabres still won, 7-5, beating the Flyers for the second time this week and improving to 11-2-6 in the past six weeks.

The loss dropped the Flyers, losers of four of their last six games, into a first-place tie with New Jersey in the Atlantic Division.

The Sabres took a 5-2 lead in the first period on only 11 shots. The Flyers' goalie, Ron Hextall, allowed four goals on seven shots in 11 minutes.

NHL Roundup

Michael Peca, who had the game-winner in Tuesday's 3-2 victory over the Flyers, had a goal and two assists. Gary Galley, Ed Ronan, Wayne Primeau and Matthew Barnaby also scored for the Sabres.

Philadelphia rallied to 7-5 midway through the third period behind quick goals by Rod Brind'Amour and Eric DesJardins. The Flyers also got goals from Mikael Renberg, Paul Coffey and John LeClair, whose 46th goal made him the league's leading scorer.

Red Wings 7, Sharks 4 In San Jose, Sergei Fedorov had two of Detroit's four power-play goals, and the Red Wings handed the Sharks their fourth straight home loss.

The Red Wings, scoring on three of their five third-period shots, completed a season sweep of the Sharks, outscoring them, 25-7, in four games.

Flames 5, Kings 2 Theoren Fleury scored twice, including an empty-netter, during a four-goal barrage in the third period as Calgary won in Los Angeles.

The Flames overtook idle Chicago for the eighth and final Western Conference playoff berth, while the Kings moved closer to missing the playoffs for the fourth straight season.

Senators 2, Canadiens 2 Bruce Gardiner scored 8:34 into the third period to lift Ottawa into a tie in Montreal.

Gardiner's seventh goal came just 28 seconds after Marc Bureau had given the Canadiens a 2-1 lead.

Maple Leafs 3, Panthers 3 In Miami, in their first meeting in 16 months, Florida and Toronto played to a 3-3 tie as Scott Mellanby scored his 100th goal as a Panther and the Maple Leafs' Larry Murphy came through with a late power-play goal.

Devils 3, Capitals 2 Dave Andreychuk scored his 500th National Hockey League goal as New Jersey extended its home unbeaten streak to 15 by downing Washington.

Andreychuk became the second player in two days to reach the 500-goal plateau. Pittsburgh's Joey Mullen made it Friday night in a 6-3 loss at Colorado, becoming the first American-born player to do so and 25th in history.

Bruins 5, Islanders 2 In Boston, Anson Carter's third goal in six games since becoming a Bruin broke a tie in the second period.

Carter, part of the deal that sent Adam Oates to Washington on March 1, swept a pass from Jeff Odgers past Tommy Salo at 3:57 of the second period.

Oilers 4, Whalers 2 Curtis Joseph stopped 43 shots and Jason Arnott scored the winning goal as Edmonton won in Hartford.

Joseph, who made 19 saves in the second period, allowed only power-play goals by Steve Chiasson and Geoff Sanderson.

Canucks 5, Lightning 2 In Tampa, Florida, Brian Noonan scored twice and added an assist as Vancouver ended a seven-game winless streak.

Martin Gelinas had a goal and two assists, while Mike Sillinger had a goal and an assist for Vancouver.

Dino Ciccarelli reached 30 goals for the 11th time.

Jordan Lies Low, but the Bulls Romp

The Associated Press

Despite a season-low 10 points from Michael Jordan, the Chicago Bulls routed the Atlanta Hawks, 99-79.

Scottie Pippen scored 17 points Saturday for the Bulls, who reboundedfrom Friday's loss to New Jersey, in which Jordan shot a last-second air ball.

Jordan, whose previous season low was 13 against Toronto in December, was 5-of-11 from the field against Atlanta before sitting out the last quarter.

NBA Roundup

Dennis Rodman had 10 points and 14 rebounds for the Bulls before he was ejected late in the third quarter following a brief exchange under the basket with Dikembe Mutombo.

Christian Laettner scored 22 and Steve Smith 20 for the Hawks, who have lost a season-high three in a row.

Hornets 107, 76ers 99 In Philadelphia, Glen Rice scored 27 points and the reserves Tony Delk and Matt Geiger keyed a fourth-quarter run as Charlotte won for the seventh time in eight games.

The Hornets are 16-4 since February, a stretch in which they have averaged 105 points and shot 46 percent from 3-point range.

Allen Iverson scored 31 on 11-for-25 shooting for the Sixers, who have lost six of their last eight.

Warriors 106, Raptors 102 In San Jose, California, Donyell Marshall scored 20 points and grabbed a career-high 14 rebounds as Golden State held on to beat Toronto.

Golden State was ahead by 82-56 after a Joe Smith jumper with 2:13 remaining in the third quarter, but the Raptors went on a 38-16 run over the next 13 minutes.

Toronto, which had tied its record by winning three straight, pulled within 98-94 on Shawn Respert's layup with 1:09 left, but Marshall made a pair of free throws with 45 seconds left.



Harry Lahaye/Agence France-Presse

Dennis Rodman after his ejection.

Jazz 100, Bullets 93 Karl Malone scored 32 points for Utah, which benefited from Chris Webber's first NBA ejection.

Webber, the Bullets' leading scorer and rebounder, was tossed from the game in the second quarter after being hit with two technical fouls. It was his first ejection since joining the league in 1993.

Washington managed to build an 11-point halftime lead without him, but the visiting Jazz outscored the Bullets by 36-20 in the third quarter and pulled away down the stretch to win its eighth game in nine tries.

Nuggets 121, Spurs 105 In Denver, LaPhonso Ellis hit seven 3-pointers and finished with a career-high 39 points to lead Denver over San Antonio.

Antonio McDyess added 33 points and Ervin Johnson had 15 rebounds and six blocked shots for the Nuggets, whose 15 3-pointers matched a franchise record set earlier this month.

Suns 101, Mavericks 76 In Phoenix, Kevin Johnson scored 23 points and Phoenix broke open a tight game with a 16-5 run midway through the third quarter.

Rex Chapman added 19 points for the Suns, and Danny Manning had 15.

Michael Finley, a former Sun, led Dallas with 26 points. A.C. Green had 13 points and 11 rebounds for the Mavs.



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TOMORROW STYLE

Herald International Tribune
SPORTS

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WORLD ROUNDUP



Jose Manuel Ribeiro/Reuters

Michael Jonzon judging his line on the 6th green Sunday.

Jalabert Hat Trick

CYCLING Laurent Jalabert, a French rider with the Spanish ONCE team, won his third successive Paris-Nice race Sunday.

Viacheslav Ekimov won the final 20-kilometer (12-mile) time-trial from Antibes to Nice in the second part of the eighth and final stage to move up to fourth spot overall.

Ekimov beat a fellow Russian and time-trial specialist, Yevgeni Berzin, by 30 seconds and Tom Steels of Belgium by 37 seconds.

Jalabert had earlier let Steels claim his fourth stage of the week by winning a mass sprint at the end the first of Sunday's two stages, a 70-kilometer circuit around Nice.

Laurent Dufaux was second overall, a minute behind Jalabert. *(AFP)*

Jonzon Wins in Portugal

GOLF Michael Jonzon of Sweden won the Portuguese Open on Sunday while Jose-Maria Olazabal, in only his second tournament after 18 months off the tour, shared fourth place.

Jonzon closed with a three-under-par 69 at Aroeira to beat Ignacio Garrido by three strokes.

Olazabal played the last 11 holes in four-over par for a round of 74, which left him seven strokes behind Jonzon. *(AFP)*

• Stuart Appleby of Australia moved into first place Sunday in the Honda Classic at Heron Bay. Because of rain Friday, the final two rounds were being played Sunday.

Appleby shot a 67, to follow two 68s, to move to 203, one stroke ahead of Payne Stewart, who carded his third straight 68 and two ahead of Paul Stankowski, the overnight leader, who had a 72. *(Reuters)*

Fielder Drops Demand

BASEBALL The New York Yankees' Cecil Fielder dropped his trade demand on Saturday night, one minute before he would have become a free agent.

Fielder had until midnight to make good on his threat to become a free agent, voiding a $7.2 million contract, if the Yankees did not trade him. *(AFP)*

Politics and Sailing

The Maori activist accused of crushing the America's Cup with a sledgehammer will mount a political defense against the white occupation of New Zealand, his lawyer said.

A Maori separatist group that took responsibility for Friday's attack on the 147-year-old yachting trophy, said more violence would follow until whites end the "illegal occupation of New Zealand." *(AP)*



Steve Helber/The Associated Press

Colorado's Matrice Moore, left, Fred Edmonds, right, and North Carolina's Ademola Okulaja, center, wrestling to get control of a runaway ball.

Dean Smith Sets NCAA Victory Record

The Associated Press

North Carolina's Dean Smith became the winningest coach in collegiate history when the Tar Heels beat Colorado, 73-56, in the second round of the NCAA tournamennt. The victory was the 877th of Smith's career, one more than Adolph Rupp had at Kentucky.

The former Tar Heel stars Sam Perkins, Bobby Jones, Mitch Kupchak and George Karl were on hand to watch Smith set the record.

"I share it with all the guys who played," Smith said.

North Carolina (26-6) trailed by one point at the half in its East Regional game, then used a 38-14 run over the first 12 minutes of the second half to secure its 14th consecutive victory.

Antawn Jamison led the Tar Heels with 19 points and 16 rebounds, while Shammond Williams scored 15 points. Fred Edmonds led Colorado (22-10) with 18 points.

It was Smith's 63d NCAA tournament victory, extending his own record, and put North Carolina into the round of 16 for the 21st time in his 36 seasons as Tar Heels' coach.

California 75, Villanova 68 In the other game in Winston-Salem, North Carolina, Tony Gonzalez, the football tight end who doubles as a basketball player, scored a season-high 23 points, while Randy Duck added 16, including a pair of key 3-pointers that sparked Cal in the second half.

In a game that featured nine lead changes and six ties, Duck sank a pair of 3-pointers 1:04 apart, giving the Golden Bears (23-8) a 44-38 lead with 16:11 left. Cal never surrendered the lead after that.

Alvin Williams scored 31 points for Villanova (24-10), which has lost in the first or second rounds in each of the past three seasons.

Kansas 75, Purdue 61 In the Southeast region, top-ranked Kansas, coached by Roy Williams, a former Smith assistant and player, beat stubborn Purdue.

Paul Pierce scored 20 points and made big plays with the game in the balance as the top-seeded Jayhawks (34-1) advanced to the regional semifinals for the fifth straight year.

Pierce pulled down 12 rebounds and stepped up after Purdue, trailing by 10 at halftime, edged in front by a point with 9:58 to play.

Raef LaFrentz had 18 points and 11 rebounds for Kansas, and Jacque Vaughn 12 points and nine assists. Chad Austin scored 17 for Purdue (18-12), but went 4-of-18 from the field.

Arizona 73, College of Charleston 69 Mike Bibby hit three free throws in the final 30 seconds as Arizona survived a scare from the College of Charleston.

The Wildcats (21-9) trailed by as many as 10 points during the first 15 minutes of the second half after missing nine of their first 11 shots against Charleston (29-3), which hadn't lost since Dec. 18.

But Bibby scored 13 of his 18 points in the final 7:16, getting the Wildcats into their sixth regional semifinal. Miles Simon led Arizona with 20 points, and A.J. Bramlett added 12 points and 15 rebounds. Stacy Harris scored a career-high 25 points for Charleston.

Iowa St. 67, Cincinnati 66 In the Midwest, Dedric Willoughby and Kenny Pratt, who struggled in the first round, combined for 40 points as Iowa State beat Cincinnati.

Pratt led the Cyclones (22-8) with 21 points. Willoughby added 19.

Cincinnati (26-8), the third seed and the team many picked as the preseason favorite for the NCAA title, failed to make it out of the subregionals for the third time in four years.

Danny Fortson led the Bearcats with 16 points.

UCLA 96, Xavier 83 Charles O'Bannon scored 28 points and UCLA used a 19-2 second-half run to beat Xavier.

J.R. Henderson had 22 points and nine rebounds for UCLA (23-7), which won its 11th straight and reached the third round for the second time in three years.

Darnell Williams led Xavier (23-6) with 16 points, and Torraye Braggs added 15 before fouling out with 3:25 remaining.

UCLA's decisive run started with Henderson's tap-in and ended when the forward broke free for a reverse layup with 12:08 remaining, giving the Bruins a 66-47 lead. Xavier cut the lead to 80-69 with 4:31 remaining, but it was too late to catch the Bruins.

St. Joseph's 81, Boston College 77 In Salt Lake City in the West regional, Rashid Bey scored 10 of St. Joseph's 12 points in overtime, and the Hawks set a tournament record for long-range shooting to win their 10th straight game.

Bey's 3-pointer with 52.5 seconds left in overtime gave St. Joe's a 75-71 lead and set a record for 3-pointers attempted by a tournament team with 43. He then made four three throws in the final seconds, including a pair with two seconds left that gave St. Joe's (26-6) the tiny Jesuit school its final margin.

Kentucky 75, Iowa 69 Scott Padgett, Wayne Turner and Nazr Mohammed, all sophomores, helped defending champion Kentucky (32-4) beat Iowa.

Senior's Best Pushes Friars Past Duke to The Sweet 16

The Associated Press

CHARLOTTE, North Carolina — Derrick Brown gave the Providence Friars a huge assist Sunday with his most points ever.

The senior forward helped the Friars overcome foul trouble by Austin Croshere with a 33-point performance that sent Providence to a 98-87 victory over Duke in Sunday's second round of the NCAA tournament's Southeast Regional.

Tenth-seeded Providence (23-11) advanced to the round of 16 for the first time since the 1987 Friars made it to the Final Four.

This year's Southeast Regional finals are being played in Birmingham, Alabama, the same place where the Friars won their last regional title.

Brown, who made 12 of 16 field-goal attempts, also had 10 rebounds.

Second-seeded Duke (24-9) was looking for a chance at its eighth Final Four berth in 17 years under coach Mike Krzyzewski. Instead, the Blue Devils failed to make the round of 16 for the fourth time in five years.

Jeff Capel closed his Duke career with 26 points, including 19 in the second half.

Croshere, coming off a career-high 39 points in an opening-round victory over Marquette, found the going much tougher Sunday, when he spent four-plus minutes on the bench in each half because of foul problems. Croshere wound up with 21 points on 7-of-16 shooting.

Rebounding continued to be a problem for the Blue Devils. Providence had a 43-24 edge on the boards. The Friars had 15 offensive rebounds, including six by Brown.

Brown, a 6-foot-6 junior college transfer who had been averaging 17 points, gave Providence a needed lift on a day when Croshere, a first-team all-Big East selection, picked up his second personal foul less than seven minutes into the contest. He was assessed his fourth on a charging call with 16:14 remaining in the game and went to the bench.

Croshere came back in with 11:57 left and the Friars leading by a point. Providence responded with an 11-5 run, getting a layup and two rebounds by Brown in the surge, to go up 72-65, the Friars' biggest lead to that stage.

But Capel hit a 3-pointer to start a 9-2 run for the Blue Devils. Capel added two more baskets in the surge, which tied it at 74 with 5:34 remaining.

Croshere put the Friars ahead to stay when he banked in a 14-footer from the right wing at the 5:13 mark. The basket started an 11-1 run.

Alphand Wins Overall World Cup Title

Compiled by Our Staff From Dispatches

VAIL, Colorado — Norway's Finn Christian Jagge won the final World Cup men's slalom of the season.

Frenchman Luc Alphand won the overall World Cup title when Norwegian Kjetil Andre Aamodt failed to finish in the top two in the slalom.

Alphand also became the first downhill specialist since Karl Schranz of Austria in 1970 to take the title.

Alphand, the first Frenchman to win since Jean-Claude Killy in 1968, succeeded Norway's 1996 overall champion, Lasse Kjus.

Jagge clocked 1:27.94 to push Austria's Thomas Stangassinger into second spot by 0.12 seconds, and Italy's Alberto Tomba finished third, 0.25 seconds further back.

Earlier on Sunday, Italy's Lara Magoni and Sweden's Pernilla Wiberg tied for first place in the women's slalom Sunday in the World Cup Finals.

Katja Seizinger, a German, had the best slalom finish of her career — third — to earn medals in all four races at these finals.

Magoni held a first-run lead of .18 seconds over the surprising Seizinger, who had never finished higher than seventh in the event. Wiberg, this season's overall slalom champion, was fifth, .76 seconds off the lead.

Wiberg fashioned a blistering second run of 48.30 seconds, while Magoni came across in 49.06 for an identical combined time of 1:35.77. Seizinger finished at 1:36.31.

Wiberg finished the season with a World Cup-record 1,960 points, including 770 in the slalom. She won five of the nine slalom races.

New Zealand's Claudia Riegler, slowed by injuries to her shoulder and wrist in training, placed ninth in 1:37.72 and hung on to second place in the slalom standings with 418 points. Italy's Deborah Compagnoni was third with 407.

Seizinger, the 1996 overall champion, completed a brilliant finals. She tied for second in Wednesday's downhill, won the super-G Thursday and was second in the giant slalom Saturday.

On Saturday, Switzerland's Michael von Gruenigen and Compagnoni continued their season-long dominance of giant slalom.

Von Gruenigen and Compagnoni won their respective giant-slalom races , each rallying from second place to overtake the first-run leader.

Von Gruenigen, 27, trailed first-run leader, Rainer Salzgeber of Austria, by .18 seconds but easily made up the difference on the second run. His second heat was a whopping 1.17 seconds faster than Salzgeber.

Von Gruenigen had won eight World Cup giant slaloms this season and had already secured the points title.

He had a combined time of 2: 18.58, nearly a full second faster than Salzgeber's 2:19.57. Andreas Schifferer of Austria was third in 2:19.97, followed by Patrick Holzer of Italy in 2:20.28.

Compagnoni, already the season's giant-slalom champion, posted her fourth straight victory in seven GS races this season.

Compagnoni, .17 seconds behind first-run leader Seizinger, overtook Seizinger with a second run that was .55 seconds quicker than the German's. She finished with a combined time of 2:11.45. *(AFP, AP, Reuters)*

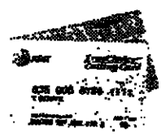


Dan Esmond/Agence France-Presse

Laura Magoni of Italy cutting past a gate during Sunday's runs.



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